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BRITISH INDUSTRIES
AND
FOREIGN COMPETITION.



BRITISH INDUSTRIES AND FOREIGN COMPETITION

BY
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AUTHOR OF

‘FREE TRADE AND DEPRESSED TRADE.’

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PREFACE.

IN submitting this work to the public, the author desires to state that he has no personal motive to serve. He is in no way interested in agriculture, and, though at one time actively engaged in commerce, he has for many years ceased to have any connection with it. He may, therefore, claim to approach his subject from an independent standpoint, and with such advantages, as a practical knowledge of commercial affairs may afford. His attention was first called to our fiscal system many years ago in India, when, to his surprise, he found that many of the Free Trade dogmas, in which he had been educated (*e.g.*, the assumption that

the duty is invariably paid by the consumer), were again and again refuted by facts, which occurred in his own experience.

The soundness of the economic theories, on which a nation bases its fiscal policy, can alone be determined by results. Nearly half a century has passed since, by the abolition of the Corn Laws, a new principle was introduced, which, twenty-five years later, led to the final abandonment of the protective system. The promises, then, so confidently held out of abiding prosperity, universal peace, and the adoption of Free Trade by other countries—an indispensable element of its success—have not only not been fulfilled, but our markets are now subject to long periods of unexampled depression, followed by fleeting revivals; agriculture, our greatest industry, is well-nigh ruined, and the outside world is more wedded to protection than ever.

May we not, therefore, claim that the whole question of our fiscal system should be reconsidered, and that it is time we should abandon

that attitude of blind indifference, which assumes that, although the civilised world is against us, we alone are right?

It is manifestly absurd to suppose, that any one particular policy must inevitably be the best for every country through all time, and at every stage of development. Trade is not regulated by fixed and unalterable laws, and a wise and provident people will, periodically, test their commercial system by a careful inquiry into the nature of the results that system induces. It is this test, which, in the following pages, the author seeks to apply to the present fiscal policy of Great Britain. The statistics quoted are for the most part taken from Government returns. They have not been selected for the purpose of justifying preconceived opinions; on the contrary, they are used solely to explain and illustrate those conclusions, to which he has been irresistibly led by a prolonged and careful study of the facts which they disclose.

He trusts that, the public, considering the

vast importance of the question, especially in its bearing on the Federation of the Empire, will be indulgent enough to extend a kindly reception to a work, which throws, he believes, a new and startling light on the action of the corn duties, and on the fiscal laws by which we have been governed.

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DOWN to the year 1874, when the last of the protective duties was removed, Great Britain may be said to have been the 'workshop of the world'—a position she owed mainly to the fact, that foreign countries, distracted by wars and revolutions, had not been able to give their attention to manufacture. The Free Trade principle, the germ of which was first introduced

into our fiscal policy by the Repeal of the Corn Laws, thus met with no rival system, with which it had to contend on anything like equal terms. Enjoying, as we did, what was virtually a monopoly of trade, it mattered little, so long as the duties we levied were not of a prohibitive character, what the precise principles, on which our policy was based, were. Vast changes have since occurred. The rapid progress of manufacture in protective countries during the last twenty years—the cessation of the adventitious aids which accompanied the introduction and development of the system down to 1874, and the wholly altered conditions under which commerce is now carried on, have shed a flood of light on the working of our economic policy, enabling us, for the first time in its history, to bring it to the test of facts. Such a policy must be judged by results, and not by the mere theories of the doctrinaire, who, having no experience of the practical work of commerce to guide him, too often argues from insufficient data, and regarding political economy as a fixed science, whose laws are unlimited in their application, wholly fails to see, that laws, which may not hurt a nation at one period of its existence, may at another, when the conditions have entirely changed, prove unworkable and ruinous in the extreme.

The very name given to our system, at a time when, owing to other causes than its adoption, we were entering on a career of unexampled prosperity, has done much to obscure and mislead ; for if by Free Trade is meant the free exchange of untaxed com-

modities—to which alone the theories of the political economist can apply—no such trade exists, or ever has existed, nor, so long as revenue has to be raised, ever can exist. To style a trade free, in which a country in its dealings with another levies a heavy duty, and the other levies none, is simply an abuse of the term; but when the latter levies, from customs duties, annually more than any nation in Europe, and 4d. a lb., or £2,500,000, on tea produced by its own subjects in India and Ceylon, the absurdity of the name becomes still more apparent. *Duties, so long as they are moderate, and not of a prohibitive character, do not restrict trade, nor, so long as they are levied equally on both sides, do they prevent trade being free. It only ceases to be so, when they are levied on the one side and not on the other.*

*‘It will generally be advantageous to lay some burden on foreign for the encouragement of domestic industry, when some tax is imposed at home upon the produce of the latter. In this case it seems reasonable that an equal tax should be imposed upon the like produce of the former. This would not give the monopoly of the home market to domestic industry, nor turn towards a particular employment a greater share of the stock and labour of the country than would naturally go to it. It would only hinder any part of what would naturally go to it from being turned away by the tax into a less natural direction, and would leave the competition between foreign and domestic industry, after the tax, as nearly as possible on the same footing as before it. . . . It may sometimes be a matter of deliberation, how far it is proper to continue the free importation of certain foreign goods, when some foreign nation restrains, by high duties, or prohibitions, the importation of some of our manufactures into their country. . . . There may be good policy in retaliation of this kind, when there is a probability that they will procure the repeal of the high duties.’—ADAM SMITH’S *Wealth of Nations*, Book iv. cap. 2.*

‘A country cannot be expected to renounce the power of taxing foreigners, unless foreigners will in return practise towards itself the same forbearance. . . .

‘*The only mode in which a country can save itself from being a loser by the revenue duties imposed by other countries on its commodities, is to impose corresponding revenue duties on theirs.*’

—JOHN STUART MILL’S *Principles of Political Economy*, Book v.

‘It, however, is frequently said that customs duties, though advantageous in some respects, are inconsistent and opposed to the great principle of Free Trade, and should therefore be unconditionally rejected. But a cuckoo cry of this sort deserves but little attention. When equal and moderate duties are laid on commodities, without respect to the countries whence, or the channels through which, they come to us, the trade in them is quite as free as it would be were the duties repealed. No one doubts that the trade in corn is, at this moment, perfectly free; and can it be doubted that it would be equally free were the duty of 1s. a quarter, with which it is now charged, raised to 3s., 5s. or 7s. a quarter? Such increase might lessen importation, but that would be all. Freedom consists in the absence of whatever is partial, oppressive, or unjust. Trade is quite as free when there are duties on imports and exports, as when there are none, provided these duties be moderate, press equally on all articles and all parties, and involve no preferences. The fair and free competition of horses in a race is not affected by their being all made to carry the same weight. And everybody knows, that there is the same keen and close competition in the trades subjected to excise duties that there are in those that are duty free; and that a moderate increase in the cost of an article, whether occasioned by a tax or anything else, uniformly serves to stimulate the exertions of its producers. This objection is, therefore, quite untenable, and was hardly, perhaps, worth notice. When not put forward as mere claptrap, it can only originate in an entire misconception of what is meant by the freedom of trade.’—M’CULLOCH on *The Principles of Political Economy*, pp. 112, 113.

The belief that the system, begun in 1846 and carried to completion in 1874, of admitting free of duty such imports as come into competition with

British products, and heavily taxing those which cannot be internally produced, has in the past been the main cause of our commercial supremacy, has been received, even among the educated classes of this country, as an article of unquestioned faith, for which they have no better reason to give, than that, because prosperity followed the adoption of the system, that system must have caused it. This assumption, having regard to the great factors which came into play in the middle of the century, causing not only a vast expansion in our trade, but also in that of other countries, is ludicrous. As a question of fact, Free Trade had no influence on that commercial supremacy whatever, nor did it cause the advance in wages and value of land, so commonly ascribed to it;¹ while at the present day, a blind adherence to its doctrines is paralysing our industries, and has brought agriculture to the verge of ruin.

‘We in England are much too prone to over-state the results of Free Trade.’ Scarcely a week elapses without its being said, English imports and exports have more than quadrupled since Protection was abolished, the income of the country as shown by the income-tax has more than doubled, wages have been advanced, and population has increased. But a moment’s consideration will show that other causes have been in operation besides Free Trade.

‘In like manner American and other Protectionists may adduce statistics (probably even more surprising than those of

¹ When John Bright boasted that Free Trade had raised wages, Lord Masham asked him, ‘How the free importation of French boots could possibly raise a cobbler’s wages?’ offering, if he would reply, to distribute at his own expense, some hundred thousands of his answer among the working classes. Needless to say the challenge remained unanswered.

England) to show the increase of wealth under the Protectionist tariffs, imposed in their own countries.' No useful conclusion therefore can be arrived at by arraying the prosperity of one country against that of another.'—PROFESSOR FAWCETT.

Let us see what the real factors, which led to our commercial supremacy, were.

First, and most important of all, was the enormous development of the railway system, in which we were greatly ahead of other countries. In 1850 there were 6621 miles open in the United Kingdom, against, in 1892, 20,325 miles; while the rest of the world, starting in 1850 with a total of 17,336 miles, had, in 1890, 350,208 miles, of which there were in the United States 163,597 miles. In other words, while we had trebled our system in that time, they had multiplied theirs twenty fold. The magnitude of the change is apparent in the fact, that the paid-up capital of the railways of the United Kingdom amounted in 1892 to no less a sum than £944,357,320.¹

Second. The change from sailing to steam vessels, which are estimated, from the greater number of voyages made in the year, to have five times the carrying power of sailing vessels, and the consequent reduction in the rates of freight, insurance, etc.

The vast changes produced by the railway taking the place of the stage-coach, and the steamer of the sailing vessel, in enormously quickening and cheapening the means of transport, are incalculable. Markets, which till then it had been impossible, save at great cost, for our

¹ It is very remarkable that throughout the whole of the agitation for repeal of the Corn Laws, railways are ignored by Cobden.

products to reach, became accessible. Foreign countries had to come to us for machinery, steamers, rails, engines, etc., which, with the construction of our own lines, gave an immense impetus to trade.

Third. European nations, suffering from periodic wars and revolutions between 1848 and 1871, and America in the throes of her great civil war between 1863 and 1865, were unable to give their attention to manufacture, by which we largely benefited, for, at the end of each great struggle, there arose an active demand for our products.¹

Fourth. The great increase in the use of machinery, in the production of which we were unrivalled, and which largely reduced the cost of manufacture.

Fifth. The discovery of gold in California and Australia, which, between 1850 and 1880, added 528 millions sterling to the wealth of the world, and was the main cause of the advance in prices and wages, which occurred after 1850.

With such powerful agencies at work to stimulate trade all over the world, it was inevitable that we, the great producers, should mainly benefit. The surprise is, not that our commerce increased so much, but that, situated as we were, it did not, proportionally with other countries, increase more rapidly. Yet we are told by a political party, whose very existence has depended on the maintenance of the Free Trade system, that it was directly the cause of the prosperity

¹ Wars : Crimean, 1854-6 ; France and Austria, 1859 ; Denmark, Austria and Prussia, 1863-4 ; United States (Civil), 1863-5 ; Prussia and Austria, 1866 ; France and Germany, 1870-1 ; Russia and Turkey, 1876-7.

we enjoyed between 1850 and 1874 ! But that system only attained its full completion in 1874. Including the registration fee, taken off corn in 1869, which, had it been retained, would, as we shall see, have added during the twenty-four years, 1870-93, no less a sum than £35,728,444 to the revenue, without adding to the price of the loaf, and been now yielding close on £2,000,000 annually, customs duties to the net amount of £9,622,000 were abolished on the following articles between 1850 and 1874—sugar, butter, cheese, eggs, hops, tallow, wood, glass, silk manufactures, leather, boots and shoes, gloves, hats, paper, etc. ; *while, during the thirty-four years 1815-49, the gross revenue realised from corn duties only amounted to £9,926,241, on the average per annum £291,966, or 1 $\frac{3}{4}$ d. per head on the mean population of those years :* bearing on which, there is this salient fact, which should be kept in mind when we come to deal with Cobden's arguments, and wild denunciations of the Corn Laws ; namely, *that in 1843, when the population of the United Kingdom was 27,255,699, he estimated the annual home production of wheat at 20,000,000 quarters, equal (wholly irrespective of the foreign import) to 352 lbs. per head of population, or just what our consumption is to-day, and, if we take Sir Robert Peel's estimate, 22,000,000, which was more likely to be correct, 387 lbs. ! a fact which, of itself, conclusively refutes every speech uttered by Cobden during the Corn Law agitation.*

If, then, the repeal of the corn duties, amounting annually, on the average, to only £291,966, was, as

Cobden and Bright were never weary of boasting, the cause of our subsequent prosperity, and if, as they contended, protection exerts such a 'baneful' influence, how comes it that the country, which has since 1874, by the abolition of duties, amounting annually to £9,622,000, alone enjoyed this 'beneficent' system, suddenly finds its progress arrested? while foreign countries, supposed to be cribbed, cabined and confined by their 'vicious' policy, begin, as soon as they make protection effective, to not only largely increase their trade, *but actually to manufacture for the English market?* It passes the wit of man to comprehend, how such a preposterous assumption can, at the present day, in the face of the irresistible logic of facts, be maintained by a shrewd, practical business people.

The history of our fiscal policy may be divided into three periods.

First. 1815-49. Beginning with prohibition and ending with protection. During these years, the great development in the use of machinery, which so much reduced the cost of production, made it virtually impossible for other nations to compete with us. Our exports of domestic produce, according to 'the official value,' increased in volume 285 per cent., or more than 8 per cent. per annum.¹ Agriculture shared in

¹ The rates of valuation, under the head of 'Official Value,' were never altered. They were thus not a measure of value, but of *quantities*. This system of valuation having been discontinued after 1850, we have now only the 'real, or declared' value. *Mulhall's Dictionary of Statistics*, published in 1892, shows, under the head of 'Price Levels,' that in 1871-75, prices were on the average 10 per cent. higher than in

the general prosperity, wheat production rose from 14 to 22,000,000 quarters per annum, and the price per quarter, which averaged during 1815-19, 77/11, only averaged from 1845-49, 54/.

Second. 1850-74. Still protection, but verging towards the removal of all protective duties. A period of great prosperity, attributable to the adventitious aids to which we have drawn attention, during which the value of our exports of domestic produce increased 239 per cent., or $9\frac{1}{2}$ per cent. per annum. Agriculture, though the home production of wheat, no longer protected, had fallen to only 14,000,000 quarters in 1874, was still in a fairly prosperous condition. The price had been steady, having averaged between 1870-74, 54/11.

Third. 1875-93. Free Trade so called, a transition period, during which other countries, as a means of stimulating home industries, largely added to their tariffs. They less and less relieve us of our surplus products, and having our ports open to theirs, they manufacture largely to supply our markets. Our exports of domestic produce, which in 1893 only amounted to £218,000,000, against, on the average of 1871-75, £240,000,000, have consequently ceased to show the rapid expansion of former years.¹

A marked feature of this period has been the serious decay of agriculture, caused by the yearly

1845-50. Since 1875 there has been a decline, largely due to a shrinkage in profits, for which allowance has to be made in estimating the actual volume of our export trade.

¹ If allowance should here be made for the decline in value, we have to set against it, the increase in population of $6\frac{1}{2}$ millions.

increasing importation of food stuffs. Wheat production has declined in 1893, to 6,364,107 quarters, and the price, on the average of 1889-93, to 31s. per quarter. In 1893 it fell to 26s. 6d., and in 1894 to 16/6.

It is a cardinal point in the free traders' creed, that when we can purchase abroad a commodity, cheaper than when produced at home, it is for the interest of the nation generally we should do so. This certainly was not the view held by Adam Smith, who, in anything he wrote in favour of freedom of trade, assumed its universality. If there is one point more emphatically laid down by him than another in *Wealth of Nations*, it is that a country, by purchasing abroad what it can produce at home, loses the entire gross value, minus the small difference in price, between the home and foreign article. In Book II. chap v. he says :—

‘The capital, which is employed in purchasing in one part of the country, in order to sell in another, the produce of the industry of that country, generally replaces by such operation two distinct capitals that had both been employed in the agriculture, or manufactures of that country, and thereby enables them to continue that employment. . . . When *both* are the produce of domestic industry, it necessarily replaces by every such operation *two distinct capitals*, which had *both* been employed in supporting productive labour, and thereby enables them to continue that support. The capital, which sends Scotch manufactures to London, and brings back English manufactures and corn to Edinburgh, necessarily replaces by every such operation *two British capitals*, which had *both* been employed in the agriculture or manufacture of Great Britain.

‘The capital employed in purchasing foreign goods for home consumption, when this purchase is made with the produce of domestic industry, replaces, too, by every such operation, two distinct capitals, but *one of them only* is employed in supporting

domestic industry. The capital, which sends British goods to Portugal, and brings back Portuguese goods to Great Britain, replaces by every such operation, *only one British* capital. The other is a Portuguese one. Though the returns, therefore, of the foreign trade of consumption should be as quick as those of the home trade, the capital employed in it will give but ONE-HALF THE ENCOURAGEMENTS TO THE INDUSTRY OR PRODUCTIVE LABOUR OF THE COUNTRY.'

Let us consider what the term '*replace capital*' means. For example, suppose we can produce an article for £100, and can import it for £95. If we import it, we gain £5, and though we pay for it with our own manufactures, we lose £100 of wealth, which we might have created, less the £5, or a net loss of £95, which we might have saved by producing both commodities at home. Suppose hosiery to the value of £300,000, produced annually in Birmingham, and exchanged for lace, produced annually in Nottingham to the amount of £300,000 ; all classes engaged in the production in Birmingham and Nottingham are benefited to the extent of £600,000. But if Birmingham exchange its hosiery for lace manufactured in Saxony, Nottingham will have £300,000 less to spend ; for let it be carefully noted, that it is not only the profit Nottingham loses, for the entire value of the domestic product would have been net income to its people, benefiting bakers, grocers, butchers, tailors, shoemakers and others.

In order that the reader may more clearly understand what is meant by net income, and how vast is the loss the nation sustains, for which no paltry saving in the purchase of a foreign commodity can compensate it, we cannot do better than quote from

Mr Justice Byles's admirable work, *Sophisms of Free Trade*, published in 1850:—

‘Let us examine a little more in detail the position that the entire price, or gross value, of every home-made commodity constitutes net national revenue—net income to British subjects—such revenue as a man may spend with his tradesmen and maintain his family upon, and yet the nation grow no poorer.

‘Take a quarter of English wheat. Suppose the price to be 50s. The whole of this price is resolvable into net income; a portion, say 5s., goes as rent to the English landlord, and is to him net income, which he may spend with his tradesmen in maintaining his family. Next, 30s. go for wages. Those wages are the net income of the English labourer. Then 10s. go for rates and tithes. The first contribute to the net income of the poor, the second to the net income of the English clergyman. Then 2s. 6d. go for the implements of husbandry, the whole of which is also resolvable into net income to some person or other. The residue, being 2s. 6d., we will suppose, is the net profit of the farmer, and would be net income to him. . . . Trace home, with stubborn attention, every penny of the price, and you will find that every penny of the price assumes the shape of net income. The whole 50s., therefore, it is manifest, is an addition to the net spendable income of the country. The whole 50s. answers two purposes; first, it maintains the ultimate recipients and their families; and secondly, by means of their expenditure, it creates a home market to the extent of the entire gross value, or price, of the quarter of wheat.’

In table at page 172, we have a very striking illustration of the manner in which the income of the people has been affected by the decay of agriculture. Though we had, in 1893, a less supply available for consumption, by 1,558,183 quarters of wheat and flour, prices of wheat fell 3s. 9d., which can only be explained by the masses having less to spend on their food.

It is only in recent years, when bitter experience is forcing on our attention a reconsideration of the whole question, that any works have appeared exposing the misrepresentations and fallacies of the Free Trade school. The Cobden Club, an institution maintained, not in the interest of commerce, but really in that of a political party, whose aim has been to keep up the fiction of 'the cheap loaf,' has circulated broadcast its leaflets and pamphlets among the working classes.¹ These works, almost wholly from the pens of politicians, steadily ignore facts and figures, especially those of our trade before 1850, which conclusively refute their reiterated allegations that the distress in the earlier part of the century was entirely the result of the Corn Laws; the truth being, *that when the distress was most acute, the first of these laws, passed in 1815, had not come into existence, as prior to that date corn was virtually as free as it is now.*

'*The Economist*,' the leading financial journal, and an out-and-out supporter of the present system, said of the Cobden Club, 'Party questions are now elevated to the first rank, and all who will not subscribe to the opinions of the majority are driven

¹ The following extract from a leaflet which bears the club's stamp, is a specimen of the unscrupulous methods of this political propaganda:—

By the time the General Election comes in November next (1886) I shall have attained my 80th year. . . . One matter, which has cropped up in this election, concerns me very deeply—not because it will affect me, but because of the effect it will have on you younger men, and upon my native country. . . . In 1812 *wages were so low, bread so dear*, and my father's family so large, that I had to turn out to work, though only seven years of age. I earned 1s. 6d. per week, and when I brought home my wages on Saturday, I was sent to buy a 4lb. loaf, for which I paid 1s. 5d. . . . *You now pay 4½d. or 5½d. for a loaf of the same size, made from good wheat. You know that Free Trade has made the difference.*

forth. That is what the club has now become, and if it is thus to be degraded to the level of a political caucus, it cannot be a power for good.'

Government officials are supposed to keep aloof from politics. It is not so with the paid officials of the Board of Trade. They have freely given their time and their services to the Cobden Club, and have not scrupled to publish statistics, selected and arranged for the purpose of glorifying Free Trade. Sir T. H. Farrer (now Lord Farrer), formerly permanent secretary to the Board, tells us in his book—'*Free Trade versus Fair Trade*'—*that not only was it written at the request of the president of the Cobden Club, but with the full sanction of the president of the Board of Trade.* Mr Giffen himself never ceases, in season and out of season, by his speeches and writings, to defend a system, in regard to which it would be more becoming, on his part, to be silent. What an outcry we should have, if the Fair Trade Club, in furtherance of its views, employed the time and services of men

¹ Many of the club's members are foreigners, who have a manifest interest in foreign goods being admitted free. One of these disinterested gentlemen, a Belgian, actually complained at a meeting of the club, of our Government having passed an act to keep out falsely marked foreign goods! Another, an Englishman, expressed the hope that he might live to see the day when wheat would be sold at 1s. per quarter!

The Scotsman in its issue of 3d May, 1894, referring to Mr Howard Vincent's motion in the House for the marking of foreign food imports with the place of origin, said, 'it is as to its real essence and intention a scheme of protection. The wonder and pity is, that it should not have been rejected with more emphasis.' In other words, the butcher should be at liberty to fraudulently palm off on a customer, who asks for Aberdeenshire, foreign beef, for to deprive him of it would be an infringement of the sacred doctrines of Free Trade! Such is the teaching of the modern Free Trade school.

engaged in the public service, and paid for by the country! It will hardly be credited that in the voluminous list of foreign import duties, published by the Board of Trade, which gives the rates of duty on every article under the sun, those on corn, for some inscrutable reason, are withheld.

In an elaborate free trade work, *England's Supremacy*, by J. S. Jeans, published in 1885, will be found, at page 98, the following astounding statement.

‘Have the advocates of a duty on imported corn ever seriously considered what would be the effect of such a step? *England now imports over 600 million quarters of corn per annum.* Impose a tax of 5s. per quarter upon this quantity, and the product would be over 175 (*sic*) million pounds sterling per annum. Upon whom would the burden of this tax chiefly fall? Not upon the upper or middle classes, who, besides being a comparatively small minority of the whole population, are better able to bear such a burden, but upon the great body of the working classes—upon the 8 millions of people in this country, who, and whose families, live by manufacturing industry. *The imposition of such a tax would be equivalent to a charge of nearly £5 per head upon every man, woman and child in the three kingdoms.*’

In other words, ‘every man, woman and child in the three kingdoms’ was equal to the digestive feat of consuming *daily*, without taking into account the home supply, *no less than 22 lbs. of wheat and flour!* According to ‘the statistical abstracts,’ we then imported 17 instead of 600 millions, a 5s. duty on which, even if paid by the consumers, would only, taking the population of 1884, come to 2s. 4½d. per head.¹ Yet

¹ The average imports of wheat and flour in 1883 and 1884 were 16½ million quarters.

this passage has actually been quoted, by even well educated people, to show what a duty of 5s. a quarter would mean to the working man! We could adduce many more instances of the same kind, but these will be sufficient to illustrate, how people, who will not take the trouble to investigate for themselves, are, for political purposes, misled and deceived.¹

We shall be able to prove by the clearest evidence, that *not only were the corn duties not paid by the people, but that, if there had been no corn law, bread would have been dearer.* We must bear in mind, that in the first half of the century, there were no railways in wheat growing countries to transport grain to the coast, nor steamers to cheaply convey it to our ports; that, consequently, save where grown near a foreign port, adjacent to Great Britain, wheat could not be laid down here, as a rule, at a cost which would remunerate the shipper. *But we shall find that there were no foreign surplus stocks on which we could then calculate.* Had the cultivators of the soil, under the dread of foreign competition, been, as actually occurred after repeal, deterred from putting their capital into it, and instead of increasing their production from 14 to 22 million quarters of wheat, it had fallen short of that quantity only 3 millions, the inference is unavoidable—that a less supply of food would have been available for consumption,

¹ As illustrative of the difficulty of obtaining a fair and free discussion of fiscal questions, the author may mention, that a letter by him to the *Times*, drawing attention to Mr Jeans's extraordinary statement, was refused insertion in that paper.

and that, consequently, bread would have been dearer.¹

Our fiscal policy has produced one remarkable result, which is operating with deadly effect against such of our industries as have to encounter foreign competition, and as it is certain, so long as that policy is maintained, to go on increasing, very likely to end in their extinction. We refer to what has been styled 'the law of surplus.' It will be seen, when we come to deal with this branch of the subject, how utterly hopeless is the struggle, in which our industrial classes are engaged—that this law, which, before other countries began to manufacture largely, acted so much in our own favour, is now operating against us, since they have taken to excluding our products, and to sending their surplus stocks, to be sold in our markets for what they will fetch, often at prices much under those current in the land of their origin, or than at which we can produce them. *What makes OUR position worse is this, that being the only free trade nation, we are made the recipients of as much of these foreign surplus products as we can absorb.* Were the manufacturers, when they backed up Richard Cobden and all his works, prepared for such a result as this? But we are told that, *it is 'an axiomatic truth that competition drives labour from less to more remunerative sources, that if an industry is undersold, it has no right to live, and that the capital and skill employed in*

¹ As a question of fact the highest price paid for the 4lb. loaf was in 1812 and 1854, before the imposition and after the abolition of the Corn Laws. See Appendix C.

it, must be diverted to something else.' To what, when every profession and industry is already overstocked, are the manufacturers and their workmen to turn? Are they, casting to the winds the skill, it has taken them the best years of their lives to acquire, to turn and learn a new trade, to be later on ousted from it and again told to move on? ¹

Further, did they foresee, that a day would come, when the manufacturing capitalist would be driven to a foreign land, to obtain the protection so scornfully refused him in his own? Yet such are indisputably the fruits of this one-sided system, of which John Bright said,—

‘Free Trade, though not given amid the thunders of Sinai, is not less the commandment of God, and not less intended to promote and secure the happiness of men.’—*Speeches*, p. 456.

When Mr Bright sought to claim Divine authority for the policy, he was instrumental in imposing on his country, it is surprising such an earnest student of his Bible, should have failed to note the following passage, in which our Saviour, when asked to pay tribute, said, ‘What thinkest thou, Simon? Of whom

¹ Suppose our Continental rivals were to meet together to consider how they could best destroy England's supremacy as a manufacturing country. They would first put a duty upon all that we sent them, and thus cripple and destroy our foreign market; next they would insist upon their goods being admitted free, and so spoil our home market; and then impose a Factory Act to limit our hours to fifty-six, whilst they worked seventy-two, so as to increase greatly our cost of production. Now this is just what we have done for ourselves. Is there any wonder the country suffers? It would indeed be truly surprising if it did not. —LORD MASHAM, in his ‘England's Folly,’ a paper read before the Silk Section of the Jubilee Exhibition, Manchester.

do the kings of the earth take custom, or tribute? Of their own children or of strangers?' Peter saith unto Him, 'Of strangers.' Jesus saith unto him, 'Then are the children free.' We, however, prefer to exact custom of our own children, and to let the strangers go free!

Cobden firmly believed, that if the popular will could have had its way, 'there would not be a custom house in Europe.' But here, as in every other instance, in which he ventured into the region of prophecy, his predictions have been singularly falsified. So far from protection withering, or disappearing with despotic institutions, there is not a spot on the globe, out of Britain, even in her colonies, where it has not grown and flourished, just in proportion as the popular will has been able to assert itself; *vox populi vox Dei*. And signs are not wanting, that this country will not much longer prove the exception to the rule. Disbelief in the system is rapidly spreading among the working classes, who are no longer able to reconcile the teachings of the Cobden school, with the hard facts of experience. We have it, on the authority of Mr Chamberlain, that Mr Gladstone was quite prepared to concede to Ireland the right to impose protective duties. At page 77, of the first report of the Royal Commission on the Depression of Trade, it will be seen, that the Council of the Birmingham Chamber of Commerce recommended, 'The imposition of an import duty on foreign manufactured goods, in all cases where the same classes of goods are manufactured in this country.' The following motion, brought before the Manchester

Chamber by Mr Hibbert, in 1888, was carried by a large majority.

‘That, in the opinion of this Chamber, all goods, of a nature and kind, which we ourselves produce, offered for sale in the markets of the United Kingdom, should pay that equal proportional share of the burdens of imperial and local taxation, which they would have paid, if manufactured, or produced in the United Kingdom.’

A reform of our fiscal policy may for the time be delayed by Home Rule and other questions of party politics, but, sooner or later, this great problem must inevitably force itself on the consideration of the country. On the third reading of the bill for Repeal of the Corn Laws in 1846, Mr Disraeli said,—

‘It may be vain now, in the midnight of their intoxication, to tell them there will be an awakening to bitterness. It may be idle now, in the springtide of their economic frenzy, to warn them that there will be an ebb of trouble. But the dark and inevitable hour will arrive; then—when their spirit is softened by misfortune—they will recur to those principles which made England great, and, in our belief, can alone keep England great. They may then perchance remember, not with unkindness, those, who, betrayed and deserted, were neither ashamed nor afraid to struggle for the good old cause—the cause, with which are associated principles the most popular, sentiments the most entirely national—the cause of labour, the cause of the people, the cause of England.’

It will be seen in the course of our inquiry, that our policy is based on the great fallacy, that ‘*there never was a duty that was not paid by the consumer*,’ and that there is no argument, or dictum of the free trade school, which, under the searching light of experience, is not found to be delusive, and in violation of the principles of true political economy. These principles

are indeed immutable, but they are not illustrated by a one-sided system, *which is not free trade*; which teaches, that the more we consume, the greater will be our purchasing power, and that national wealth is to be increased by our purchasing from a foreign country what we can ourselves produce—a policy, which Sir Algernon Borthwick aptly described as one—‘which, carried to its logical conclusion, would squander the accumulations of the past, extract those of the present, and discount those of the future.’ It will also be seen, that between 1860 and 1893, our food imports have risen from £43,000,000 to £136,000,000 (taking the value of those for 1893 at the prices current in 1880, as more correctly representing the increase in the volume of this foreign trade), and those of wholly manufactured goods from £18,000,000 to £65,000,000, or together, from £61,000,000 to £201,000,000, one half of which, if produced at home, would have added to the wages of the working classes, no less than £33,000,000 per annum.¹ If this steady increase should continue, it must end in the extinction of all British industries, which have to encounter foreign competition.

¹ See pages 117 and 251.

CHAPTER II.

HISTORY OF THE CORN LAWS.

Great Britain an Exporter of Wheat—Necessity of Protection—Bank Restriction Act of 1797—Corn Bill of 1815—Reasons for imposing It—Imports of Wheat and Flour, and Prices of Wheat, 1802-22—Corn Bill of 1822—Restrictive Acts repealed—Imports of Wheat and Flour, and Prices of Wheat, 1823-28—Corn Bill of 1828—Imports of Wheat and Flour, and Prices of Wheat, 1829-42—They refute the Contention that the Duty is added to the Price—The Foreign Supply Limited—Agitation for Repeal—Object, the Reduction of Wages—Absurdity of the Assertion, that the Corn Laws nursed Foreign Competition in Manufacture—No Means spared to rouse the People—Large Subscriptions raised—Corn Bill of 1842—Imports of Wheat and Flour, and Prices of Wheat and Bread, 1843-8—Agitation transferred to Agricultural Districts—Sir Robert Peel's Speech—Fall of His Ministry—His Return to Office—His sudden Conversion—Corn Bill of 1846-49—Manufacture still to be Protected—Protest of the Peers—Repeal Unjust to the Agriculturist—Repeal of the Registration Fee in 1869.

‘IN those days, when England shall have reached the measure of her greatness, verily the hour of her tribulation will be at hand. . . . The nation shall be delivered up, for sport and experiment to loan jobbers and political economists. . . . Our too luxuriant manufactures and commerce shall be pruned down to a ‘sound and wholesome’ standard by the removal of all Protective duties, which will afford matter of gain and derision to other nations, while bankruptcy, desolation, misery and despair shall hourly increase at home. . . . It shall be said that it would be desirable to render the nation dependent on foreign

harvests for food, and astonishing nonsense shall be talked touching free trade and the theory of exchanges.

‘Then shall be felt the saying of a great king—that if he had a province to punish he would deliver it up to the rule of political philosophers. . . . But after some time longer the eyes of the people shall be opened. They shall grow weary of suffering in hopeless silence. Other rulers shall arise, who will revert to maxims of common sense. They will decide that it is preferable to have the people content, occupied and thriving under the old system, to starvation, idleness and outrage under the new-fangled philosophy. . . . The nation shall rejoice in renovated strength ; but the philosophers shall mourn over their lost occupation, and the overthrow of “sound general principles.”’—*Agricultural and Industrial Magazine*, 1835.

To thoroughly understand the question of our fiscal policy, it is necessary we should go back to the beginning of the century ; briefly trace the various stages by which from being prohibitive, and afterwards protective, it gradually came to be what we see it at the present day, and that we should carefully study the reasons, which guided our statesmen in imposing the Corn Laws, and the arguments of the agitators which led to their abolition in 1849.

Up to the end of last century, Great Britain was an exporter of wheat. In 1689 an act was passed granting a bounty of 5s. on every quarter exported, when the price did not exceed 48s. Amended in 1773, by the limit being reduced to 44s. and finally abolished in 1815. Save, that importation was not permitted when the price was under 63s., and for a nominal duty of 2s. 6d. per quarter, there was, prior to 1815, no restriction on the import, and as the price averaged, from 1802-14, 82s. 7d. a quarter, this supposed check on importation in no

way hindered a quarter of wheat coming to us, which, but for it, we should have received.

The command of the sea, during the long war with France, had given us a monopoly of commerce, which led to a rapid development in manufacture, to a vast increase in the wealth and population of the country, and great rise in the price of commodities. In the general prosperity, agriculture fully shared. In ten years, two million acres had been brought into cultivation; while, owing to improved methods of culture, the land in many instances more than doubled its produce. This increased population necessitated larger food supplies, which, thanks to the skill and enterprise of our agriculturists, we were then able to find within our own borders, *and but for which, the long struggle with France could not have been maintained, proved by the fact, that during the last fourteen years of that struggle, notwithstanding the high price of wheat, and the import being virtually free, we had been only able to obtain annually on the average 440,000 quarters from abroad.* It seemed, therefore, but just, that when, at the conclusion of the war, our markets were likely, on the opening of the continental ports, to receive largely-increased supplies of foreign grain, unless those, who had rendered such eminent services to their country in its hour of need, were to be involved in ruinous losses, and the cultivation of much of the land to be abandoned, that they should in some measure be protected. But there was another and much weightier consideration, which bulked largely in the minds of

our legislators—and it is one most important for us to bear in mind at the present day, when we hear it constantly asserted, that the Corn Laws were imposed simply for the benefit of the landed proprietors. *Those responsible for carrying on the government had seen during the war, in which the country might soon again be involved, our dependence on our own land for the means of subsistence. Even with peace assured, there was no foreign supply on which we could rely. It appeared to them, therefore, of the first importance, that for this reason, if for no other, every encouragement should be given to those engaged in agriculture, an industry in which a half of the population was then directly interested, and subject to risks from the uncertainty and inclemency of our climate, from which other industries are exempt.* It is impossible to read the debates in Parliament at that time, without seeing how the prosperity of agriculture was regarded by responsible legislators as of great national concern, and not merely as that of a class.

‘The proportion of home-grown wheat to foreign was as 34 to 1—that though, as some contended, it would be desirable to have a free trade in corn, it would not insure a more abundant, more steady, or cheaper supply, for if the result should be that the foreigner should be able to undersell the British farmer, British agriculture would have to give way to the extent of the increased supply of foreign corn. The more sterile lands would be thrown out of tillage; the capital therein employed would seek more productive channels—the proportion of foreign supply would increase, and our own produce diminish. As the amount foreign countries could send us was but small, with no reason to suppose it would remain steady, it was deemed wiser to foster and encourage home production.’

On the other hand, it was argued ‘*That the import price must*

*necessarily be the lowest,' or, as we hear it erroneously asserted at the present day, that a duty is always by its amount added to the market price—but it was shown, 'that the experience of the previous fifty years completely negatived such an assumption—that instead of the bounty on exportation, and the check on importation having raised prices, they had tended, owing to the encouragement and security they afforded to home production, to actually lower prices, by our producing, internally, a supply greater than would have been the case, had the confidence these checks inspired been wanting.'*¹

The home production of grain had, save when the harvest was deficient, been found equal to our requirements. If the average price of wheat during the year 1805-14, 99s. 9d. per quarter, seems to point to a different conclusion, it must be remembered, that the Bank Restriction Act of 3d May, 1797, which suspended specie payments by the Bank of England, and which was not repealed till May 1823, had caused a great nominal rise in the price of all commodities. Gold, the mint price of which was £3, 17s. 10½d., had at the end of the war risen to £5, 10s. per ounce, and the gold sovereign to 26s. A quarter of wheat, quoted at 90s. 9d., was thus, as compared with the price ruling after the resumption of cash payments, in reality only worth about 63s. 9d.

After much laborious investigation by committees of both Houses, during which they examined a 'great number of individuals, who, from their situation or pursuits, were supposed to be most qualified to afford useful information,' a Corn Bill was passed on the 20th March, 1815.

¹ *Annual Register.*

It permitted grain to be imported free of duty when at or above the following prices per quarter:—¹

Foreign Wheat at	80/-; Colonial, 67/-
„ Rye, Peas and Beans, 53/-;	„ 44/-
„ Barley, Beer or Bigg, 40/-;	„ 33/-
„ Oats,	26/-; „ 22/-

The bill met with considerable opposition from those, who believed, that its effect would be to keep wheat at, or above, 80s., a fear, which the subsequent course of prices, showed to be groundless. It was pointed out to them, that manufactures were highly protected by duties, which frequently proved prohibitive—for example, woollen cloths were subject to a duty of 100 per cent., cotton goods 85½ per cent., glass 114 per cent., brass and copper goods 59 per cent., earthenware 79 per cent., dressed leather 142 per cent., gold and silver goods 80 per cent., gilt ware 100 per cent., salt 15s. per bushel, and iron £7 per ton; and that it would be unjust and unfair, while according such a large measure of protection to manufacture, to deny it to agriculture, the most important industry in the country. Adam Smith himself was quoted as admitting that, ‘There were cases where it would be advisable to lay a duty on foreign imports. One case was when necessary for the defence of the country—another was, as in the case of agriculture, when taxed at home.’ Further it was argued,

‘That a great increase of agriculture had taken place in the twenty years preceding 1815. If countervailing advantages were not accorded to it, much capital would be withdrawn, and

¹ See *Annual Register*, 1815, chap. III.

lands thrown out of cultivation—and that the country would be placed in the alarming position of trusting to foreign, and possibly hostile, nations, for its food supplies; that, consequently, should there be a scarcity from bad harvests in Europe, we should see, were protection withheld, greater scarcity and higher prices than before. In France, from which we received 145,000 quarters of our annual consumption, the export was prohibited until the price fell to 49s. *The market at home was certain, the market abroad uncertain. By looking to the home market, we should encourage all branches of trade; by looking to the foreign market, we should find our own land go out of cultivation, and the agricultural labourer thrown out of employment.* The opponents of the bill insisted on a reduction of rent, which it was shown then averaged £1, 10s. per acre, as a cure for agricultural distress, and blamed the farmers for extravagance and having speculated too largely; but, as Mr Malthus said,—“We have no right to accuse our farmers of rash speculation for employing so large a capital in agriculture. The peace, it must be allowed, was most unexpected, and if the war had continued, the actual quantity of capital applied to the land, might have been as necessary to save the country from extreme want in future, as it obviously was in 1812, when, with the price of corn at above six guineas a quarter, we could only import 100,000 quarters.¹ If, from the very great extent of cultivation during the four or five preceding years, we had not obtained a very great increase of average produce, the distress of that year would have assumed a very serious aspect.” The crops of 1816 all over Europe were very deficient, and if we had had to rely on Europe for considerable supplies, the distress would have been deplorable.’²

Though Buonaparte’s continental system had not wholly excluded our manufactures, it still had done much to impede our foreign trade. On the ports being opened in 1815, our manufacturers poured their goods into the Continent, far in excess of its wants.

¹ According to Porter the actual import was 244,385 quarters.—See Appendix D.

² *Annual Register.*

These speculations resulted in ruinous losses, causing great depression and distress, which, combined with the cessation of the war expenditure, depressed the value of all commodities, and diminished demand to an extent, from which it took years for the country to recover.

The following statement, compiled from Porter's *Progress of the Nation*, of the imports of wheat and wheat flour, and prices of wheat, per quarter, shows how insignificant, as compared with the 14 million quarters we then internally produced, were the supplies drawn from foreign countries:—

Years.	Imports.	Prices.	Years.	Imports.	Prices.	Years.	Imports.	Prices.
	Quarters.			Quarters.			Quarters.	
1802	498,359	67/9	1809	424,709	94/5	1816	225,263	76/2
1803	297,145	57/1	1810	1,491,341	103/3	1817	1,020,949	94/-
1804	398,067	60/5	1811	238,366	92/5	1818	1,593,518	83/8
1805	842,879	87/1	1812	244,385	122/8	1819	122,133	72/3
1806	250,776	76/9	1813	425,559	106/6	1820	34,274	65/10
1807	379,833	73/1	1814	681,333	72/1	1821	2	54/5
1808	...	78/11	1815	...	63/8	1822	...	43/3

During the years 1802-15, when the import was, as we have seen, virtually free, the average imports were annually only 440,911 quarters, and the average price of wheat 82s. 7d. From 1816-22, after the limits had been raised to 80s. and 67s., the import averaged annually 428,019 quarters, and the price 69s. 11d. These figures are worthy of careful study. They

not only completely refute the assertion, that the price, at which wheat was permitted to be imported, must necessarily be the lowest price, but they show how utterly unreliable the foreign supply was, and, therefore, what folly it would have been, when such a high level of prices as existed between 1802 and 1815 had failed to attract greater supplies from abroad, for our legislators to refuse protection to the agriculturist, who was yearly bringing more land into cultivation, and who, under a fear that, after the peace, our markets would be flooded with foreign grain, could not be expected, if left unprotected, to embark his capital in an industry liable to be so swamped. The fact that, though the Bank Restriction Act was still in force, the price from 1816-22, only averaged 69s. 11d., and that in 1822, when the import was *nil*, the price in October of that year had fallen to 38s. 1d., conclusively shows, that the checks on importation had absolutely no effect on prices, which simply ruled high, or low, as the home harvest was bad, or good. It is curious to note that, notwithstanding the low price of wheat at the end of 1822, the 4-lb. loaf was selling at 7d. to 7½d.

In 1822 a new corn law was passed. Under it foreign grain was allowed to be imported whenever the price should be at, or above—wheat, 70s.; rye, peas and beans, 46s.; barley, 35s.; oats, 25s.; and subject to the following duties:—If the average price of British wheat were under 80s., 12s.; if at or above 80s., but under 85s., 5s.; if at or above 85s., 1s. If the

average price of British wheat be under 67s., Colonial to be charged 12s.; if at or above 67s., but under 71s., 5s.; if at or above 71s., 1s. Proportional rates were levied on other descriptions of foreign and colonial grain.¹

Two hundred Acts of a restrictive character—some of them passed in the reign of Edward III., including the old law, under which no produce could be imported, save on a British ship, or on a ship belonging to the country where the article was produced, or from which it was first exported—were repealed. It was also enacted, that the commerce of all countries in amity with Great Britain, should be placed on precisely the same footing, and subjected to the same regulations. The duty on malt was reduced 1s. per bushel, and on salt from 15s., per bushel, to 2s.

This corn law remained in force till 1828. Notwithstanding that its provisions were more stringent than the Bill of 1815, there was again a considerable fall in the price of wheat, which averaged during the six years 59s. 1d., and the import 380,637 quarters, as shown by the following figures:—

1823.	1824.	1825.	1826.	1827.	1828.
12,137,	15,777,	525,231,	315,892,	572,733,	842,050 quarters.
51/9.	62/.	66/6.	56/11.	56/9.	60/5. prices.

¹ *Annual Register*, 1822, chap. iii. Huskisson's scheme was, that corn should henceforth be admitted free, but subject to a duty of 15s. a quarter, when the price did not exceed 80s.; and if above 85s., 1s. Mr Ricardo proposed a fixed duty of 20s., to be reduced 1s. annually until it reached 10s., with a bounty or drawback of 7s. a quarter, on corn exported to foreign countries.

The lower average price of these years, and the small supplies received from abroad, show, that in spite of the rapid increase in population, the produce of our own soil was yearly increasing in a still greater ratio, which, if it went on, would soon provide all the grain we required.

Early in 1828 the Goderick Administration, which came into office on the death of Canning, fell, and was succeeded by that of the Duke of Wellington, which shortly thereafter, introduced and passed another Corn Bill. As it was during its existence that the violent clamour for repeal arose, it is important we should clearly understand what this Bill was, and the actual effect it had, during the fourteen years it remained in force, on our food supplies. It did away with the restriction on importation, and also with the preference in favour of our colonies. It enacted, that the following duties should be levied on wheat per quarter. Those on other kinds of grain to remain without alteration.¹

52/- and under	53/-,	34/8	63/- and under	64/-,	23/8
53/-	54/-,	33/8	64/-	65/-,	22/8
54/-	55/-,	32/8	65/-	66/-,	21/8
55/-	56/-,	31/8	66/-	67/-,	20/8
56/-	57/-,	30/8	67/-	68/-,	18/8
57/-	58/-,	29/8	68/-	69/-,	16/8
58/-	59/-,	28/8	69/-	70/-,	13/8
59/-	60/-,	27/8	70/-	71/-,	10/8
60/-	61/-,	26/8	71/-	72/-,	6/8
61/-	62/-,	25/8	72/-	73/-,	2/8
62/-	63/-,	24/8	73/-	74/-,	1/-

During these fourteen years the imports of wheat,

¹ *Annual Register*, 1828, page 113.

and wheat flour, and the prices of wheat per quarter, were, as shown in the following table :—

Years.	Imports.	Prices.	Years.	Imports.	Prices.	Years.	Imports.	Prices.
1829	1,364,220	66/3	1834	64,653	46/2	1839	2,590,734	70/8
1830	1,701,885	64/3	1835	28,483	39/4	1840	2,389,732	66/4
1831	1,491,631	66/4	1836	24,826	48/6	1841	2,619,702	64/4
1832	325,435	58/8	1837	244,087	55/10	1842	2,977,302	51/3
1833	82,346	52/11	1838	1,834,452	64/7			

Or a yearly average of 1,267,106 quarters imported, and an average price of 58s. 3d., which, considering the cost of production in those years,—the failure of the harvest during the four years 1838-41, and the prices of wheat ruling after the total repeal of the Corn Laws—on the average between 1850 to 1879, 52s. 3d.—was by no means excessive. If we exclude the four bad harvest years, 1838-41, the average is reduced to 54s. 11d. *These figures again completely refute the Free Trade contention, that there never was a duty that was not by its amount added to the price. At 54s. and under 55s. the duty was 32s. 8d.—if true, the price, had there been no duty, would have been only 22s. 3d., or in the year 1835, 4s. 8d.!! 'Yet, in the teeth of these figures, we shall find that, throughout the Corn Law controversy, it was assumed that the duty was simply a tax on the people's bread, by the full amount of which, they would be relieved, if removed.'*

We shall see later on, that Cobden, when he

sought to win the farmers to his side, tried to prove to them, that under free imports of corn, the most foreign countries could send us, in any year, would not exceed 2,700,000 quarters of wheat and flour. If he believed his estimate to be correct, seeing we had received on the average, during the five years, 1838 to 1842, 2,482,384 quarters, what was all the clamour about? Repeal on his own showing would not, save to a small extent, increase the import. It would cause so much revenue to be lost to the country, which would in future go into the pockets of the foreigner, and as supply and demand between them fix prices, it could not cheapen the people's food. Nay, if his assertion was correct, it must have the effect of making it dearer, for, naturally, the dread of free foreign competition would have the effect of checking the increase in home production, which he asserted amounted to 20,000,000 quarters of wheat, while Sir Robert Peel estimated it at 22,000,000, and which was undoubtedly checked by the insane agitation, he and Bright were carrying on. Further calm reflection might have shown him, that if, on the other hand, repeal would induce larger supplies to come from abroad, and if, as he contended, wheat would, after the duties were removed, remain steady at about 50s.,¹ that could only be, by those in-

¹ In his speech in the House of Commons, 12th March 1844, he argued, that as the price of wheat at Dantzic from 1832-41 had averaged 40s. a quarter, and the rate of freight, etc., 10s. 6d., it could not be laid down here under 50s. ; while during these ten years the price in the home market had averaged 56s. 8d., but failed to state, that three

creased supplies displacing so much home, by untaxed foreign wheat, which would diminish the spendable incomes, of not only those engaged in agriculture, but all with whom they dealt. Agriculture and trade act and re-act on each other; you cannot inflict injury on the one, without injuring the other. Had the agitators clamoured for a reduction in the scale of duties, which, it may be admitted, was unnecessarily high, the demand would not have been unreasonable, but while other industries were highly protected, it is impossible to regard the agitation got up by the manufacturers as otherwise than unjust and unpatriotic in the extreme.

‘Could you prove to us, that the true principles of mercantile dealing required us to purchase corn in the cheapest market, and to withdraw the capital, which has fertilised the inferior soils of this country, for the purpose of applying it to the rich but unprofitable wastes of Poland, still we should hesitate. We should remember with pain the cheerful, smiling prospects which were thus to be obscured; we should view with regret cultivation receding from the hill top, which it has climbed under the influence of protection, and from which it surveys with joy the progress of successful toil. If you convinced us, that your most sanguine hopes would be realised—that this country would become the great workshop of the world—would blight, through the cheapness of food, and the demand for foreign corn, the manufacturing industry of every other country—would present the dull succession of manufacturing towns, connected

of those years, 1839-41, the harvest had failed, leaving the average for the remaining seven, 52s. 3d. (*see* Appendix C.). ‘Was this,’ he asked, ‘to throw land out of cultivation, annihilate rent, ruin the farmer, and pauperise the labourer?’ Referring to what he had said in this speech, he, on the 13th March 1845, ‘entreated honourable members, with this *fact* before them, not to go down and alarm their tenantry about the dangers of foreign competition,’ which he styled, ‘one of their favourite fallacies.’

by railways, intersecting the abandoned tracts, which it was no longer profitable to cultivate—we should not forget, among all these presages of complete happiness, that it has been under the influence of protection to agriculture, continued for 200 years, that the fen has been drained, the wild heath reclaimed, the health of a whole people improved, their life prolonged, and all this, not at the expense of manufacturing prosperity, but concurrent with its wonderful advancement.’—SIR ROBERT PEELE’S *Speech*, 15th March 1839.

The agitation, begun by the manufacturers, had a great momentum imparted to it by the series of bad harvests from 1838-41. The distress, though there was just the same scarcity in France, which had no corn law, was laid at the door of the corn duties. They were denounced on every platform, as a monopoly maintained solely for the benefit of the landlords, whose interests were represented as being antagonistic to those of the community, and specially to those of the manufacturers,¹ inasmuch, as by keeping up the price of bread, wages were maintained at a high level, which increased the cost of production, and rendered competition with foreign countries more difficult. The latter having recovered from the effects of the long war, were now turning their attention to manufacture, and aided by their cheaper labour, were beginning to compete with our manufacturers, who, averse from losing the monopoly they had enjoyed, were ready to grasp at any means, which promised to aid them in stifling foreign competition. That such was the

¹ ‘Free trade,’ Cobden said, ‘was to save us from tyranny at one end, and anarchy at the other. He did not wish to lower prices, but to keep them steady.’

belief of the manufacturers is unquestionable, for Cobden himself tells us,

‘A petition was addressed to the House in 1815, signed by the most intelligent of the manufacturing and working classes, praying, that the Corn Bill might not be passed, because it would so raise the rate of wages, that the manufacturers of this country could not be able to compete with the manufacturers abroad.’—*Speech*, House of Commons, 24th February, 1842 : and,—‘I will admit, that so far as the fervour and efficiency of our agitation has gone, it has eminently been a middle-class agitation.’—MORLEY’S *Life of Cobden*, Vol. I. page 249 (1842).

A movement, which had for its object the reduction of wages, was not likely to find favour with the working classes, nor was it likely to succeed, unless they could be enlisted on its side. Cobden, therefore, started the opposite theory, namely ; that high prices of food led to low wages, and generally posed as the champion of a starving people—the victims of an unjust Corn Law. *We shall see, however, when we come to deal with his arguments, that his real aim was, not to provide abundant supplies of food for the people, but to attract large supplies of it from abroad, which, he believed, would widen the demand for manufactures to be taken in exchange.* When he asserted, that high prices of food led to low wages, he was in a sense right, for, in those days a good harvest was of vastly greater importance to the trade of the country, than now. High prices of bread were then solely caused by deficient harvests, which reduced the spendable incomes of the agricultural classes, caused trade depression, and, consequently, a diminished demand for labour. Now, when

instead of producing 20,000,000 to 22,000,000 quarters of wheat, we only produce about 6,500,000, wages do not rise as bread falls, but their tendency is to fall as it falls; for the simple reason, that the price of wheat is no longer governed by the home harvest, but by the foreign supply, and the larger it is, the greater is the distress of the farmer, and, consequently, the less the demand for agricultural labour.

The Corn Law, it was said, prevented foreign countries from growing corn for the English market, and forced them to turn their attention to manufacture—that, if it were abolished, these nations would go back to agriculture, and exchange their corn for manufactures. Mr Morley says,

‘By denying to America and Germany the liberty of exchanging their surplus food for our manufactures, the English legislature had actually forced America and Germany to divert their resources from the production of food, in order to satisfy their natural demand for manufactures. It was the Corn Laws, which nursed foreign competition into full activity.’—*Life*, Vol. I. page 142.

During the fourteen years, 1829-42, the average annual import of wheat and flour was 1,267,106 quarters, and the farmers were assured that it could not in future exceed 2,700,000, or, were the Corn Law repealed, an increase, merely, of 1,432,894 quarters, and we are gravely asked to believe, that if we admitted their corn free, foreign countries would abandon manufacture, and take to growing corn for the English market! If they did so, how was the supply to remain stationary? Would it not, as actually did happen, be largely increased? Not, because other

countries gave up manufacture, in order to secure our custom, but from a natural increase in the grain production of the outside world. The object the manufacturers had in view, could only be obtained by largely increased imports of corn, which meant ruin to the farmer. Yet Cobden told them, there was no class would benefit more by repeal than they would. Here, it is impossible to acquit him of insincerity. He must have seen, how absolutely irreconcilable the two things were. The manufacturers were under no such delusion, for we have Cobden's authority for it, that in 1839, they fully believed that repeal would be the ruin of agriculture. How such a transparent absurdity should have imposed, even on the bucolic mind, baffles comprehension. The germ of disaster was in it from the first, and though for a time delayed by other factors, which, as we have seen, intervened, the evil effects have at last come home to roost.

No means were spared to rouse the people. Vast sums of money were subscribed by the manufacturers, pamphlets and leaflets were scattered, far and wide, and lecturers sent into every corner of the land. Even ladies were called in to assist at bazaars and tea-parties. Mr Morley tells us of a halfpenny pamphlet, called 'The Struggle,' of which 1,100,000 copies were circulated, and that it contained 'racy dialogues,' in which the landlord gets the worst of it, and terse allegories, in which the Duke of Buckingham, or the Duke of Richmond, figures as inauspiciously, as Bunyan's Mr Badman. The Bible is ransacked for appropriate texts, from the simple clause in the Lord's

Prayer about our daily bread, down to Solomon's saying, 'He that withholdeth the corn, the people shall curse him, but blessings shall be on the head of him that selleth it.' Cobden described 'the working man feeding his hungry children upon half a loaf, the other half being removed by a spectre, and conveyed, in the shape of money, into the coffers of the landlord.' In 1846, Bright said at Manchester, 'The peers put up the prayer in their families, and did it by the clergy in their churches, "Give us this day our daily bread," and yet, every day in that House that question came up, speeches were made, and votes given, that denied to the millions of the people of this country, the daily bread for which they prayed.'¹

It is difficult to understand, how the manufacturers could, for a moment, have been led away by the delusion, that 'it was the Corn Law, which nursed foreign competition into full activity,' and that they should not have foreseen, in spite of Cobden's prophecies to the contrary, that when other countries found their budding industries, threatened by a lowering of the cost of production in England, they would be certain to avail themselves of the only defence left them—protective duties. They deluded themselves into the belief that England would con-

¹ In 1839 the League's subscriptions amounted to £5000. The following year to £8000. In 1843 the council asked for £50,000 and got it. In 1844 they asked for twice as much, and by the end of the year between £80,000 and £90,000 had been paid in. They were then spending £1000 a week. In December 1845 a meeting was held in Manchester, at which it was resolved to raise the enormous sum of £250,000, and in less than two hours £60,000 were subscribed on the spot.—*Life*, Vol. I. pages 312-351.

tinue to be 'the great workshop of the world.' She would become dependent on others for her food supplies, for that they were quite prepared, but for one result they were not prepared—that the day would come, and that at no great distance of time, when, not only would the monopoly of the foreign market, they were so anxious to retain, be lost, but that, 'hoist with their own petard,' they should have to fight for their very existence, against the competition of the foreign manufacturer in the home market; agriculture, as they foresaw, would be ruined; but they failed to see that abiding distress, instead of 'abiding prosperity,' would be the direct result of the ruinous policy, they, in their blind selfishness, were forcing upon a confiding people.

Influenced by the clamour which had arisen, Sir Robert Peel, in 1842, introduced and passed a new Corn Bill, which will be found in the Appendix (A). It largely reduced the scale of duties, and renewed the preference in favour of our colonies. During its existence, and that of the temporary measure, passed in 1846, pending total abolition on 1st February 1849, imports of wheat and flour, prices of wheat, per quarter, and of the 4-lb. loaf,¹ were as follow :—

1843.	1844.	1845.	1846.	1847.	1848.	Average.
982,287	1,021,681	313,245	2,943,926	4,612,111	2,193,755	2,011,167 qrs.
50/1	51/3	50/10	54/8	69/9	50/6	54/6 per qr.
6d.	7d.	6d.	7d.	8½d.	6½d.	6¾d. per loaf.

We ask the reader to carefully note these figures.

¹ As supplied to the Seamen's Hospital, Greenwich.

If we exclude the year 1847, the year of the great Irish famine, we find the average price of the quarter of wheat was 51s. 5d., and the price of the 4-lb. loaf 6½d. The average duty was, from 1843-45 inclusive, 20s. a quarter, and from 1846-48 inclusive, 4s. a quarter; again, conclusively proving, that the duty was not added to the price, that we were then, save when the harvest failed, able to produce, within our own borders, all the subsistence we required, and that an industry, which was giving employment to a half of the population, and performing a function of such vast national concern, ought never, so long as it was found equal to it, to have been subjected to such a great risk as the withdrawal of all protection. It was but a leap in the dark, at the bidding of irresponsible and unscrupulous agitators, who believed, or pretended to believe, that every national evil was, for all time, to be cured, by the adoption of their preposterous fallacies.

The Bill passed the House by large majorities. It should be carefully noted, that the 20 per cent. of protection accorded to manufacture, against which Cobden and his friends had not a word to say, was as nearly as possible, if we take the average rate of the sliding scale, the same as that given to agriculture. It did not, however, allay the agitation, which presently became more rampant than ever. In the earlier part of 1843 there was extreme trade depression—the result of overtrading, which the agitators, as usual, ascribed to the Corn Laws; but this manifestly was absurd, for in the end of 1842 wheat had been as low as 47s. 4d. and only averaged 50s. 1d.

was 17 pounds per head. It was his "firm belief that total repeal of the Corn Laws would aggravate the manufacturing distress by adding to it agricultural distress." I am not prepared, he said, "to admit that this country is unable in ordinary years to supply its own population. If I formed my judgment from the circumstances of the last four years, I should have been compelled to conclude that we were dependent on foreign supply for a great proportion of our own consumption, but that, taking twelve or thirteen years, the whole wheat, and wheat flour, imported had only amounted to 1,000,000 quarters." He emphatically disclaimed "legislating in favour of any particular interest. My belief, and that of my colleagues is, that it is important for this country, that it is of the highest importance to the welfare of all classes, that you should take care, that the main source of your supply of corn, should be derived from domestic agriculture, while we also feel that any additional price you may pay in effecting that object, cannot be vindicated as a bonus, or premium to agriculture, but only as being advantageous to the country at large. You are entitled to place such a price on foreign corn as is equivalent to the special burdens borne by agriculture, and any additional protection you give to it, can only be vindicated on the ground of its being for the interest of the country generally. I, however, certainly do consider, that it is for the interest of all classes, that we should be paying a small additional sum upon our domestic produce, in order that we may thereby establish a security and insurance against those calamities that would ensue, if we came altogether, or in a great part, dependent on foreign countries for our supply. My belief is, that alternations of seasons will take place—that whatever laws you may pass, you will occasionally have to encounter deficient crops, that the harvests of other countries will at times be deficient, and that if you found yourselves dependent on foreign countries for so important an amount of corn as 4,000,000 or 5,000,000 of quarters, under these circumstances, and when the calamity of a deficient harvest happened to be general, my belief is, that the principle of self-preservation would prevail in each country; that an impediment would be placed on the exportation of their corn, and that it would be applied to their own sustenance, while therefore, I am opposed to a system of protection, on the ground merely of

protecting the interests of a particular class, I on the other hand would certainly not be a party to any measure, the effect of which would be to make this country permanently dependent upon foreign countries, for any very considerable portion of its supply of corn. That it might be for a series of years dependent on foreign countries, for a portion of its supply, I do not deny, but I, nevertheless, do not abandon the hope, that this country, in the average of years, may produce a sufficiency for its own necessities.'—*Annual Register*, 1842, chap. ii.

Lord John Russell, leader of the Whig opposition, argued in favour of a fixed duty. He considered 'that the landed interest, having to bear peculiar burdens, were entitled to protection against foreign competition,' and quoted Adam Smith, as having said that, 'When the importation of foreign goods has for some time been interrupted, and the protected employment has been so far extended, as to engage a great number of hands, humanity may require, that freedom of trade should only be restored by slow gradations, and with a good deal of reserve and circumspection,' and Mr Ricardo as having recommended a 'fixed duty of 20s., falling 1s. every year, until to stand finally at 10s.'

Mr Gladstone denied, that 'the distress was chargeable to the Corn Law, which he attributed to the fluctuations of the seasons—to new applications of machinery, which, though they did not eventually diminish employment, yet caused great temporary gluts and consequent depression of markets. Four successive bad harvests could not have occurred without causing high prices of food, which he denied were aggravated by the Corn Law—that in the corn trade there had been similar fluctuations—that in times antecedent to the Corn Laws, the fluctuations in the price of wheat had been as great as under the existing system, and that in Prussia, where corn awes were unknown, there had been similar fluctuations in the price of rye, which was the food of the people as wheat was in England.'

Replying to the opponents of the Bill, Sir Robert Peel said, 'It is easy enough to say apply great principles, make a mighty change, but I find that mighty interests have grown up under the present law, and in full dependence on its faith. *I find that the agriculture of this land produces 22,000,000 quarters of wheat every year, while of grain of all kinds it*

produces no less than 45,000,000. Think what peculiar interests must be involved in the production of such an amount of grain. Think, too, of the amount of social interests connected with those pecuniary interests; how many families are depending for subsistence and their comforts upon the means of giving employment to thousands, before you hastily disturb the laws, which determine the application of capital.—*Annual Register*, 1842, page 38.

*Here we have the assertion in 1842 of the Prime Minister, that we were then yearly producing 22,000,000 quarters of wheat. There have since been vast improvements in agriculture. Draining, then unknown, has become universal in this country. There can, then, be no reason to doubt, that if an effective protection had been continued, we should to-day have been with ease producing the 28,000,000 quarters of wheat, which are all we require for our consumption.*¹

Sir Robert Peel estimated the revenue for the year ending May 1843, at £48,350,000, and the expenditure at £50,819,000, showing a probable deficiency of £2,469,000, which added to the outlay on the war with China, the addition to the army estimates on account of the war in Afghanistan, etc., would bring the deficit up to £4,700,000. He proposed an income-tax of 7d. in the pound, from which Ireland and incomes under £150 were to be exempt, which, would, he hoped, produce £3,771,000. That Ireland should instead pay 1s. increase on the duty on spirits per gallon, which, with the equalisation of the stamp duty with that of England, would give an addition to the revenue of £410,000. Further he proposed

¹ See Table, page 172.

to put a tax of 4s. per ton upon coal exported from this country, which would probably yield £200,000. The aggregate revenue from those sources would in all amount to £4,380,000. He proposed to reduce the duties on raw materials to 5 per cent., and *on manufactures to 20 per cent.* On 750 articles there would be an abatement of duty, while 450 would be left untouched. On coffee there would be a large reduction, which would bring the duty to 4d. per lb. on British and 8d. on foreign; on timber the duty would be lowered to 25s. a load, and on Canadian to the nominal rate of 1s. The subject of the Corn Law was again debated in the House.

Lord John Russell said, 'If a duty was imposed on any article for revenue, it was not only not unreasonable, but it was simply just, that the foreign as well as the home producer of that article should pay that duty; otherwise you would be violating the principle of Free Trade in favour of the foreigner, against the home producer. So, if the agriculturists could make out their allegations of burdens peculiar to the land, a countervailing protection to them would thus be pursuant, not repugnant, to the principles of Free Trade.'

Mr Gladstone spoke with indignation 'of the vulgar and violent cry that this was a question of rents, or a question caused by the cupidity of landlords. Surely that highly honourable and generous class were as well entitled to be spared from such an imputation, as the manufacturers from the charge, that they agitate against the Corn Laws only to lower the wages of their workmen.'

How strange these words sound now in the mouth of the man, who, in later years, has never ceased to asperse the landlords, as a selfish and oppressive class, whose interests are antagonistic to those of the community.

There was a marked improvement in trade in 1845. The manufacturing classes were well employed, and capital abundant. A great impetus was given to railway extension—more than 200 schemes having early in the season been submitted for the sanction of Parliament. The revenue showed a surplus of £3,400,000, of which Sir Robert Peel took advantage to make considerable reductions in the tariff. That on sugar amounted to £1,300,000. He abolished all export duties. There were 813 articles, all the raw materials of industry, then subject to duty. He proposed to strike out of this list 430 articles. These were the fibrous materials of silk, hemp and flax; yarns of certain materials, excepting woollen; furniture goods; animal and vegetable manures; ores and minerals, excepting copper ores; iron and zinc, in their first stage of manufacture; dye stuffs generally, and certain drugs of a noxious character. He next proposed the repeal of the duty on cotton-wool amounting to £680,000. Turning to excise, he proposed to repeal the duty on glass, which he estimated at £642,000, adding some minor reductions. The loss to the revenue would be £3,338,000. The income-tax, which yielded £6,000,000, to be renewed for three years. With some trifling alterations the Bill passed both Houses.

Carried away by the delusive hopes held out to them, the farmers and working classes had been won over, which gave a great impetus to the agitation for the repeal of the Corn-Law, but the

large majorities, by which the Government had been supported, the prosperous state of trade, and low average price of wheat during the first six months of the year, 47s. 10d., did not appear to warrant the hope that repeal would be soon carried. No government had ever held a stronger position, when suddenly and apparently without a blow, the ministry fell. The appearance of extensive disease in the potato crop in various parts of the United Kingdom, led Lord John Russell to send to the press his famous letter of 22d November, advocating total repeal, which placed Peel, who had already lost the confidence of a large section of his followers, in a most embarrassing position, and led to his shortly thereafter resigning. In his explanation to the House on the 19th January 1846, when, after Lord Russell's failure to form a ministry, he had resumed office, he stated how his own views had come to be changed.

‘His views had been gradually undergoing a change, to which he had been led by the experience of the last three years—he had been day by day, during those years, watching the effect of the relaxation of duties, and with the result, that he found his arguments were no longer tenable; claiming that the removal of protective duties had greatly increased exports. He felt he could no longer meet the annual motion for repeal with a direct negative, and could not, therefore, continue the contest with any advantage to those who had honoured him with their confidence. At the meeting of the Cabinet on the 1st November, he had advocated, either by an Order in Council, or by calling Parliament together in a fortnight, to obviate the impending evil. In this only three of his colleagues concurred. The Cabinet met again on the 25th November. ‘But at that period my position had wholly changed; the lapse of time, the

increase of agitation, and other circumstances had occurred materially affecting my own position. I had been over-ruled in the Cabinet. The noble Lord opposite had in the interval written his letter ; and giving him credit for the best intentions, I must say, it was a letter, which, after what had occurred in the Cabinet, did most materially affect my position. After that letter, I should have appeared to be adopting the position of the noble Lord. On the 22d of November his letter appeared, and that act of mine on the 26th of November, would have appeared to be a servile acquiescence in his views.' He then went on to say, 'that extraordinary measures would compel a reconsideration of the whole question, which would have led to the resignation of several members of the Cabinet ; that, therefore, in an attempt to settle the question he should fail. He had therefore, feeling there was every probability that the adjustment would devolve on Lord Russell, to whom he would give his support, humbly tendered his resignation. In this, however, Lord Russell had failed, and his colleagues who had differed from him, not having advised the formation of a Cabinet on the principle of Protection, he had not hesitated to withdraw his resignation, his other colleagues, with the exception of Lord Stanley, feeling it to be their duty to assist him in the arduous task he had undertaken.'— *Annual Register*, 1846, chap. i. ¹

It does not come within the scope of this work to consider what were the real motives, which led to Sir Robert Peel's sudden change of front. The only reason he assigns, is the effect he had seen produced by the relaxation of duties on imports, but what reason was there for treating this as cause and effect? There had simply been as usual a cycle of prosperity, following a cycle of distress, produced, as he had himself shown in 1842, by overtrading. What proof was there, that but for that relaxation, the increase in the export would have been less? and what possible relation had

¹ The Corn Bill of 1846 and amended tariff will be found in the Appendix (B).

it to the question of the import of corn? The reform of the tariff, which had done away with prohibition—a totally different matter from protection—and which had abolished the duties on the raw materials of industry, was unquestionably a wise and salutary measure, but these last were articles, such as cotton, which could not be internally produced, and, therefore, stood in a wholly different position from corn, the home supply of which, would under the dread of foreign competition, and the consequent inability of the farmers to go into its cultivation with confidence, be certain to decrease. He may have considered, if he believed Cobden's assertion—that as we could not get more than 2,700,000 quarters of wheat and flour from abroad, though, with the cost of transport yearly being reduced, this was, as was soon to be proved, a most unreliable estimate, and that as the corn laws had failed to keep prices of wheat at a high level, it was not worth while to maintain laws, which, though harmless in themselves, were causing so much agitation. That he had come to live in dread of it, as not unlikely to bring about a revolution, may be inferred from an incident mentioned by Mr Morley. On the news of the overthrow of Louis Philippe's government being reported to him in the House, he said to Mr Hume, 'this comes of trying to govern the country through a narrow representation in Parliament, without regarding the wishes of those outside. It is what this party behind me wanted me to do, and I would not do it.' We also learn from

Mr Morley, that Cobden's 'exposure of the fallacy, that low wages are the same thing as cheap labour, proved to be of the highest importance, as an element in Sir Robert Peel's conversion. He admitted afterwards, that he had accepted this fallacy without proper examination, and that its overthrow was one of the things which most powerfully affected his opinions on a protective system.'¹ It is simply incredible that Peel, himself the son of a cotton manufacturer, should have been ignorant of the fact, until enlightened by Cobden, that the English got through more, and did better work, than the foreign artisan. But he was also much better paid. How then, could this sudden discovery have proved such an important element in his conversion? It might be a reason for withdrawing protection from manufacture—which, so far from abolishing, he was retaining—where the superior skill of the British workman, *then* came more into play than in agriculture. Many of those, who in recent years have had experience of English and foreign workmen, do not find, that as machine workers, there is much to choose between them. In the more delicate and artistic handicrafts, the foreigners are not inferior, and very often superior to the English.

Peel, during his official career, originated no measure, but simply followed the lead of others. He declined to join Canning's Administration in 1827, because they differed on the question of Catholic emancipation. It has, however, since transpired, that

¹ *Life*, Vol. I. page 223.

in 1825 he was in favour of the Catholic claims being conceded. He for years disagreed with the proposals of Francis Horner, for the restoration of the currency, but afterwards carried them. In regard to the ameliorations in our commercial code, he only continued what had been begun by Sir James Macintosh. It was the same in regard to the repeal of the Corn Laws. From 1839-45, he must have been fully conversant with the arguments of Cobden and Bright. Did they utterly fail to convince him down to the last moment? or was he, while remaining head of the conservative party, a secret convert, and guilty of the great betrayal, of which he has been accused? Mr Morley quotes Cobden, as saying years afterwards, 'My own conviction is, that Peel was always a free trader in theory,' but that, 'as he was yoked with a majority of inferior animals, he was obliged to go their pace and not his own.' We should be sorry to accuse Sir Robert Peel of treachery; still, taking all the circumstances into account,—the time and its suddenness,—his conversion, has an ugly look.

On the 27th January 1846, Sir Robert Peel laid before the House his scheme of commercial and financial policy.

'He was not going to apply the great principle of the relaxation of protective duties to any particular interest; on the contrary, he asked all the interests of the country, manufacturing, commercial and agricultural, to make the sacrifice, if it were one, of their protection to the common good. He called upon such of the manufacturers, who were engaged in making up the three articles, wool, linen and cotton, which formed the

clothing of the country, to give a proof of the sincerity of their convictions, by relinquishing the protection, which was now given to the articles of their manufacture. He made this call upon them the more confidently, *because it was the manufacturers, and not the agricultural interest, which had first called on the Government for protective duties.*—*Annual Register*, 1846, chap. II.

Lord John Russell, in giving his support to the Bill, said, ‘It is to lay the foundation of a completely new principle with regard to our commercial legislation, that principle being, neither to foster one trade, nor the other, neither to attempt to promote agriculture nor manufacture, but to leave them to flourish or to fade, according to the energies and skill of the people of this country.’

A reference to the Bill, shows that so far from the duties on manufactures being abolished, they were still to be protected 10 to 15 per cent.¹ Agriculture, which, under the fostering care of the government had been rapidly extending, was in future to be left to ‘flourish or to fade’—to undertake the impossible task of attempting to fight ‘hostile tariffs with free imports’—should it go down in the unequal struggle, that was to be no concern of our rulers! It was a completely new principle, never before, or since, heard of in the history of the world. It inaugurated the system, of the heavily taxed industries of England having to compete with the untaxed surplus products of the world, in which, sooner or later, they were antecedently bound to fail. Lord Russell was fully alive to the cruel injustice that was being done, for later on we find him saying,—

‘Duties on manufactures of a protective kind, unless yielding a large amount of revenue, ought in justice to the agriculturalist to be removed altogether.’

¹ See Appendix (B).

A curious feature of the debate was, that only one speaker, Mr W. Miles, appeared to remember that there was such a thing as a home trade, which depended so much on agriculture, and which, while it could in no way benefit by the removal of protection, was certain, in the course of time, to be injuriously affected by it. He asked if the returns given by Sir Robert Peel

‘Were sufficient to justify him in leaving us to compete by ourselves under our heavy taxation, with the untaxed energies of Germany and the United States. That it was for the interest of the country, to foster its home trade, in preference to its foreign; whereas Sir Robert Peel was upholding the foreign trade, at the expense of the immense mass of capital thrown into the home market. He foresaw the day, our ports thrown open, when, owing to the enormous agricultural resources of such countries as the United States, our land would go out of cultivation. Yet the agriculturalist was told to “cultivate, cultivate.” Why should he cultivate? when, after his crop was grown, he would find the home market paralysed and closed to him, by the foreign corn thrown into it free of duty.’—*Annual Register*.

It is interesting, in the light of present experience, to read the prophetic warnings, contained in the protest of the peers, on the 25th June 1846, which have been verified to the letter—

1. *Make this country dependent on foreign countries for supplies of food.*
2. *No security, or probability, of other countries adopting it.*
3. *May be the cause of throwing lands out of cultivation.*
4. *Unjust to landed interest, while subject to exclusive burdens, for purposes of general advantage.*
5. *Because, the loss will fall most heavily on tenant farmers, and through them, on agricultural labourers.*
6. *Because, similar results will befall tradesmen, who*

mainly depend on the custom of those engaged in agriculture'—and to contrast therewith, the bombastic predictions of Richard Cobden in 1844, when he assured the farmers that, not only had they nothing to fear from foreign competition, but that under its 'healthy climate,' they would grow a fourth more than they did—that we had,

'No more right to doubt that the sun will rise in the heavens to-morrow, than you have to doubt that in less than ten years from the time when England inaugurates the glorious era of commercial freedom, every civilised commercial community will be free traders to the backbone.' Eight years later he declared that 'the time was at hand, when other nations would be compelled, by self-interest and by the reality of our prosperity, to follow our example and adopt Free Trade.' 'Within seven years of our repealing our duties, there will not be a custom-house in Europe.'

There was great distress in Ireland in 1847, owing to the failure of the potato crop. The price of wheat, which had been 47s. in August 1846, rose the following January to 70s. 3d. Lord John Russell pointed out that the duty of 4s. had not prevented 4,800,000 quarters of wheat and flour—or 2,100,000 quarters more, than Cobden had laboured to prove, could be procured, if 'we ransacked the world'—from coming into the market in 1846; but, it was shown by Lord George Bentinck, that the consumer did not get the benefit of the reduction, for the effect of its mere announcement had been to increase the price of bonded wheat by the amount of the 4s. duty.

¹ In a letter from America, which appeared in *The Times*, 12th June 1851, the writer remarked,—'We have said before, and we repeat the conviction, that an adherence to the existing free trade in bread stuffs, at the expense of the entire landed interest and every agricultural

In 1850 there was great distress amongst the farmers. Wheat, in April, had fallen to 37s. 10d., and only averaged throughout the year 40s. 3d. 'They complained, that while manufactures were protected by duties, ranging from 10 to 15 per cent., they, while subjected to heavy taxation, were left to compete with foreigners, who paid nothing to the revenue, save the 1s. fee, per quarter, on corn—that if there was an industry, which required protection more than another, it was agriculture, which, from the uncertainty of the seasons, involved risks unknown to other industries.' During the debate on Mr Disraeli's motion, 'As to whether, by some remission of local taxation, the grievance of the farmer might not be capable of alleviation,' it was shown, that wages had fallen in agricultural districts, *instead of the rise foretold by Cobden*. Sir James Graham argued, on behalf of the Government that any relief given to the farmers by reduction of local taxation, would be inoperative, because, 'the tenants, when their leases expired, would pay in rent what they saved in rates.'

'Mr Gladstone combated Sir James Graham's theory, as to the class, which would be relieved by the transfer of the rate, and expressed his belief, that the farmer and the independent yeoman would be the parties benefited by the change. He was ready to go into a consideration of the question, as to whether a considerable portion of the poor rate might be advantageously transferred to the consolidated fund. He voted for the motion

labourer in Great Britain, for the *sole* purpose of enabling the manufacturer to reduce the cost of labour, because the price of bread is cheapened, will not much longer be submitted to by the people of England, or, if it be, that inevitable ruin must be the consequence.'

upon the same ground that Sir James Graham voted against it, namely, the ground of justice.’¹

And so, while a large measure of protection was still to be accorded to manufacture, agriculture was to be left out in the cold. It was, at the best, but a great and novel experiment, involving vast national interests, the end of which but few foresaw. One, for which there was no necessity, for the calamity of the Irish famine could easily have been met by a temporary suspension of duties. No exception could be taken to the amended scale, for, having regard to the large reduction on the tariff generally, it was but just that the corn duties should also be reduced ; but what we do maintain, is—that having been brought into harmony with the scale of duties on other imports, they should have been made permanent. Cobden had confidently asserted that other countries would follow our example. Sir Robert Peel, however, entertained no such belief.

‘He could hold out no hopes that foreign countries would follow our example. He could not promise them that they would exhibit any gratitude ; on the contrary, many countries which had benefited by the relaxation of our duties on their commodities, had applied a higher rate of duties to our goods.’²

And how had they benefited, if not by their having been relieved of an impost they had previously paid ? —conclusively proved by the fact, that after repeal there was an immediate advance in the price of wheat, and value of land in all corn-growing countries, adjacent to Great Britain ; bearing out, to some ex-

¹ *Annual Register.*

² *Annual Register.*

tent, Sir George Clerk's forecast, that 'English prices would not fall to the Continental level, but that Continental prices would be raised to the English level.'

The agriculturist, after 1848, was to rest content with such protection as he could get from the 1s. registration fee on each quarter of corn, which was all a grateful country would allow him. If insufficient, so much the worse for him. He 'could not expect others to be taxed for his benefit,' but he was expected to tamely submit, to be taxed 10 to 15 per cent. on his clothes, for the benefit of the manufacturer! Such was the treatment meted out to the most important industry in the land, for having, in their hour of need, provided the people with the means of living, but for which, as we have said, the nation never could have continued its long struggle with France, or achieved the commanding position it held at the conclusion of the war. That during the first fifteen years of the century, we could not have received from outside more than we did, is undeniable—where then would this country have been, and where would Europe have been, had we been starved into accepting such terms, as our great enemy would have been certain to dictate? But nations have short memories. Why, it may be asked, while other industries were still to be protected, was agriculture selected for sacrifice? There can be but one answer. It was made the victim of cant, calumny and hypocrisy, from which it suffers to this hour, and thrown over, at the dictation of unscrupulous agitators,

by a cowed government, in furtherance of party ends ; for there can be no doubt, that the precipitancy with which repeal was carried, was caused by Lord John Russell's electioneering move of the 26th November. It was to bring us universal Free Trade—wars were to cease, ' peace and goodwill reign among the nations,' and abiding prosperity was to be ours ; all of which was to be achieved, by the reduction in the price of corn, of one to two shillings a quarter, which was about the net amount,—as compared with the average price during the thirty years following the abolition of the corn duties,—Cobden and Bright could claim to have obtained for their 'starving' fellow-countrymen, but at a loss of many hundreds of millions sterling, of created wealth to the nation.

But even the shilling registration fee was not to be left to the farmer. No one complained of it, not even the Cobden Club, which has usually a keen nose for anything in the form of protection. When suddenly, Mr Gladstone's Chancellor of the Exchequer, Mr Lowe, announced in 1869 its abolition, and we ask the reader to note the reasons he assigns, for, they are, to our thinking, the most extraordinary ever uttered by a public man.¹

That it combined in itself all possible objections to a tax, and prevented this country becoming a great *entrepôt* of corn. . . . I need not say a word more to gentlemen anxious to re-

¹ We have heard it asserted on excellent authority, that the registration fee was repealed at Mr Gladstone's instigation, in the teeth of Mr Lowe's urgent request it should be retained. This may account for the extraordinary reasons Mr Lowe assigns for having to take a step against which his better judgment revolted.

duce the burdens of the poor, about this remission of the corn tax.'—*Annual Register*.

Burdens on the poor! Does any sane human being for a single moment believe, that that shilling fee increased the price of bread, or even caused the foreign importer to keep back a single quarter of wheat, which, but for it, he would have sent? If not, how did it prevent this country from becoming 'a great *entrepôt* of corn?' Let us see what this mad piece of legislation has cost us. The shilling fee then yielded us a yearly revenue of £900,000. Between 1870 and 1893, inclusive, we have imported 714,568,888 quarters of grain and flour, which would have given £35,728,444 of revenue, or, if we add compound interest, at only 3 per cent, a loss of about £51,000,000 sterling! Has that sum not been a clear gift to the foreign importer? It certainly did not reduce 'the burdens on the poor,' for prices rose after the fee was abolished. If it did not go into the pockets of the foreigner, where did it go?

CHAPTER III.

COBDEN'S BUSINESS CAREER.

His First Partnership—A Boundless Vista—Dissolution of Partnership in 1839—Elected Member of Parliament for Stockport, 1841—Enters into Partnership with His Brother in 1839—In Difficulties—Friends come to His Assistance—Firm dissolved in 1846—National Testimonial of £75,000—Investment in Illinois Railway Shares—Again assisted by Friends in 1858—Unfortunate Purchase of Land in 1835—Again in Pecuniary Difficulties in 1860—Friends present Him with £40,000—His Character—Goes to convert the Nations of Europe—His Account of his Mission—Its Dismal Failure—Member of Parliament for the West Riding—His Opinion of the Whigs—Negotiates the French Treaty of 1860—A Bad Treaty for England.

MR MORLEY says, 'History shows, that Cobden was amply justified in laying down the principle, that the affairs of a nation come under the same laws of common sense and homely wisdom, which govern the prosperity of a private concern.' (*Life*, Vol. I. p. 99). In other words, the record of the man who claims to be a statesman and political economist, should at least show, that in the management of his own business, he had not conspicuously failed. Let us see what Cobden's record as a business man was.

Cobden was born at Dunsford, West Sussex, on

the 3d June, 1804. In 1819 he entered his uncle's warehouse in London, where he remained till the year 1825, when he was promoted to the position of traveller for the firm. In 1828, with two partners, he started business on his own account, for the sale, on commission, of Manchester calicoes. Having decided, in 1831, to set up print works on their own account, they took over an old calico print work at Sabden, in Lancashire, and so sanguine of success was he, in the great industrial centre in which he had planted himself, he declared from what he had seen, 'that if he were stripped naked, and turned into Lancashire, with only his experience for capital, he would still make a large fortune. He would not give anybody sixpence, to guarantee him wealth, if he only lived.' (*Life*, Vol. I. p. 19.) In 1832 he describes 'his commercial plans as full of solidity, sure for the present, and what is still better, opening a vista to my view of ambitious hopes and schemes almost boundless.' Here we see the extremely sanguine temperament, and unlimited self-confidence of the man, which so characterised him in after life.

In 1835 he went to the United States. On his return in 1836 he began to interest himself in public affairs, but shortly thereafter, for the benefit of his health, he again left this country for Spain, where he kept a copious journal, in regard to which, Mr Morley says, 'The statements of commercial facts, which it contains, are no longer true, while the currents of trade, which Cobden took such pains to trace out, have long since shifted their direction.' Before returning to England

in the summer of 1837, he visited Egypt, Turkey and Greece. In this year he stood as Member of Parliament for Stockport, but found himself at the bottom of the poll. On the factory question, which among other topics then exercised the minds of electors, he expressed himself as, very decidedly opposed to parliamentary interference with the hours of labour. His supporters appear to have resented his defeat, for in writing to his brother, he says, that in order to revenge themselves, they had 'since the election adopted a system of *exclusive dealing* (not countenanced by me), and those publicans and shopkeepers, who voted for the Major now find their counters deserted.'

The business at this time appears to have been flourishing. Cobden estimated its capital at £80,000. It had reached a turnover of £150,000, and in 1836 showed a profit of £23,000, and though, in 1837, there was only for the first half of the year, a profit of £4000, 'his sanguine temperament led him to speak, as if the capital were being regularly augmented at the rate of £2000 a month.' Mr Morley adds, that at this time, 'he was extremely self-possessed, and often thought to be wanting in the respect that was due from a young man to his elders, and from a man who has a fortune to make, to those who have made it.' (*Life*, Vol. I. p. 119.) In August 1838, he started for a month's tour in Germany, where he much admired the Prussian Government. 'It was the best government in Europe . . . He would gladly give up his taste for talking politics, to secure such a state

of things in England.' In 1841, Cobden was elected Member of Parliament for Stockport.

Mr Morley states, that in 1839 the partnership was broken up. It had previously consisted of five partners, carrying on business under three titles; 'one at the warehouse in Watling Street in London; the second at the print works at Sabden; the third, specifically known as Richard Cobden & Company, at Manchester and Crosse Hall, near Chorley, in Lancashire. Frederick Cobden was not a member of these allied firms, and there seems to have been no willingness to make room for him. At the end of July 1839 Cobden withdrew from his old partners. He left them, to carry on the London warehouse, and the Sabden print works on their own account. He then proceeded himself to form a new partnership, with Frederick Cobden to carry on the Manchester warehouse, and the print works at Crosse Hall. This was the arrangement of Cobden's business, during the six years of agitation against the Corn Laws.'—*Life*, Vol. I. page 158.

He was now thrown on his own resources, for his brother proved a man of no business capacity, and to add to his difficulties, he not only had to start a new firm, but to find the necessary capital. It did not succeed. In 1844 'the pattern department proved a failure.' In a letter to his brother at the end of this year, he writes, 'I shall have a month or two for private business, and, Heaven knows, it is not before it is required. It is a dog's life I am leading, and I wish I could see my way out of the collar.' On June 6th, 1845, he again writes to him, 'See Mr — and give him a message from me to the effect, that I shall feel obliged, if he will try to get a few thousand pounds, in a similiar manner to the former transaction,' adding, 'he wishes the matter to be regarded as very confidential, for he has so many vigilant foes,

that a whisper about his credit would be exaggerated a thousand fold.' (*Life*, Vol. I. pp. 330-6.) The friends he at this time consulted, warned him, that if he persisted in his present course, nothing on earth could keep him from ruin. The crisis was for the time tided over, by Mr Bright and other friends, coming to his assistance with a sum of money. The following year the business was wound up.

On the dissolution of the League in 1846, a subscription was raised, for the purpose of presenting Cobden with a national testimonial, which amounted to between £70,000 and £80,000 (*Life*, Vol. I., p. 413), a considerable portion of which, was absorbed in the settlement of outstanding claims. With part of what remained, he purchased the small property of Dunsford in West Sussex. In 1858, we find him again in embarrassed circumstances. He had invested the balance of the national testimonial, remaining after the purchase of Dunsford, in Illinois railway shares, in spite of the warning of friends, who pointed out, what he refused to see, that they could not for many years to come, yield any dividend, and urged him to buy bonds or paid-up shares. Mr Lindsay the large ship-owner, who was one of these friends, says, 'I recollect having many conversations with Cobden on this subject. I agreed with him entirely as to the prospects of the line, but we differed as to the time when the large prospective profits of the undertaking could be realised. He thought they were close at hand; I, on the contrary, held the opinion, that while all the land would in time find purchasers, they would rather

belong to the next generation than our own. He viewed his investments in an entirely different light, from that in which they would be seen by an ordinary man of business.' (*Life*, Vol. II. p. 221.) The consequence was, that in order to enable him to meet calls, his friends had to come to his assistance with a gift of many thousands of pounds. Here was a man, who professed to believe, that Free Trade would bring in its train abounding prosperity to the trade of his country, deliberately, ten years after the repeal of the Corn Laws, preferring to invest his funds in a very doubtful undertaking in a foreign *protectionist* land!

He had, moreover, as early as 1835, made speculative purchases of land in various quarters of Manchester, in reference to which, Mr Morley remarks, 'His too cheerful vision discovered a measureless demand for houses, shops and factories, as soon as the Corn Laws should be repealed, and the springs of industrial enterprise set free. For five-and-twenty years waste places between Victoria Park and Rusholme in Quay Street, Oxford Street, bore eloquent testimony to a miscalculation; and for five-and-twenty years, Cobden paid a thousand pounds a year, in the shape of chief rent, for a property which thus brought not a shilling of return.'¹

In 1860 he once more found himself in difficulties. The sums so liberally subscribed had been dissipated, and there was still the drain of the chief rent on the

¹ 'The springs of industrial enterprise set free' by the reduction of 1s. to 2s. a quarter in the price of wheat!!

unfortunate purchasers of land in Manchester. In fact, as Mr Morley says,—

‘His resources were practically exhausted, and his position had become extremely serious. Under these circumstances, he applied to one of his oldest and most confidential friends in Manchester for aid and advice. What he sought was, that a few men, who could afford to wait for a return on their money, might be induced to buy the building land from him at a certain valuation, which should include some of that prospective value, which he insisted on seeing in it. . . . It was found nothing could be done with the land, so a little group of his most intimate friends took counsel together, and in the end, a subscription was privately raised, which amounted to the sum of £40,000.’—*Life*, Vol. II. pages 285-6.

A more melancholy example of hopeless business incapacity it would be difficult to find. We see the overweening self-confidence, which learns nothing from the lessons of the past, and ignores the shrewd counsel of able men of business, whose assistance had so often saved him from insolvency—that recklessness of action, and singular want of foresight—while, after perusing all that Mr Morley, his warm eulogist, is able to advance in his favour, we fail to find a trace of that caution and shrewdness which are generally supposed to be essential to success in trade.

When we come to examine the arguments he put before the crowds, who flocked to hear him, we shall find a spirit of intolerance, lack of charity and lofty contempt for all who ventured to differ from him, and a presumptuous uttering of rhapsodical prophecies, which subsequent events have so ludicrously falsified. If the reader will but rid his mind of cant, and the jargon of the free trade doctrinaire, he will find him

dominated by one idea—the idea, that all the ills of suffering humanity were to be cured by the repeal of the Corn Laws; and by the transparent fallacy, which forms the root and branch of his, as it does of every free trade argument, namely, ‘*that there never was a duty that was not paid by the consumer,*’ which, as the British exporter at the present day, but too well knows to his cost, is not only negatived by the plain facts of the case, but theoretically absurd. But most conspicuous of all, we shall find an unreasoning abuse of landlords, simply because they failed to see, why, when the other industries of the country were protected, an exception should be made in the case of agriculture; and who further failed to see, why a man who made a speculative purchase of land, with the view of getting a large prospective profit from the rent, or sale of it, should vituperate them, for accepting a rent freely offered for farms, on which they were spending vast sums on buildings, draining, etc., while not a farthing was being spent by him in improving his, for which he was prepared to take as much as he could get.

It may be thought, that the disastrous results of the business, carried on by Cobden, were caused by his time and attention being so much occupied with the affairs of the League. The brief sketch we have given of his business career, the purchase of land in Manchester, and his investment in Illinois railway shares, do not bear out the supposition, that a closer superintendence on his part, would have made any difference. The success, which attended the earlier

days of the first partnership, owed nothing to Cobden, who was then much abroad, and was, therefore, clearly attributable to the management of his partners, who doubtless resented his neglecting it.

What then was the secret of this man's power? It lay in his persuasive eloquence, linked to a seeming honesty of purpose, which, though at times he made statements, which more than bordered on the unscrupulous—for instance, when he said we could not, 'if we ransacked the world,' get more annually than 2,700,000 quarters of wheat and wheat flour. And that with free trade in corn we should grow one fourth more than we did—was in the main not assumed. A mere impostor, however gifted, could not have succeeded as he did. He was simply a fanatic who had committed 'a fraud on his own understanding.' The vista of general and abiding prosperity he held up—which appealed to the cupidity of the ignorant multitude, and his fulsome flattery of the working classes, for whose opinions, we shall see he had but little respect; then, as now, ever ready to be swayed by a demagogue, who promises to better their condition, especially when the discourse is seasoned with wild denunciations of the richer classes, whom it suits his purpose for the time to denounce,—were well fitted to captivate and mislead the masses. It was a dangerous path for even an honest man to tread, and though it may be going too far to say, that he systematically strove to mislead—it yet requires a wide stretch of the imagination to believe, that he did not know that many of the statements he made were

simply untrue. Mr Morley, speaking of Cobden as an agitator, says,—

‘The great danger of the career is, that it may in time lessen a man’s moral self-possession. Effect becomes the decisive consideration instead of truth; a good meeting grows into a final object of life; the end of existence is a paradise of loud and prolonged cheering, and character is gradually destroyed by the parasites of self-consciousness and vanity.’—*Life*, Vol. I. page 207.

On the dissolution of the League, Cobden, his appetite for agitation having grown by what it fed on, undertook a mission for the conversion to Free Trade of the governments of Europe. It failed, as it was bound to fail. Here it was hard logic, not persuasive eloquence that was wanted. All the rhetorical arts in the world failed to prove to them, that it was for their interest, they should cease from manufacture, to become growers of corn for the British market; yet that was, Mr Morley gravely assures us, the *rôle* they would have been content with, but for our Corn Law! Nor did they see how, their budding industries were in any possible way, to be benefited, by the free competition of the more cheaply produced manufactures of England. They were, of course, keenly alive to the enormous benefits, conferred on them by the opening of our ports to their grain—they were not yet, it was true, in manufactures able to compete with us in our markets, but their industries were growing, and if we should, with this Free Trade mania on us, abolish the duties on these, they would soon be able to do so, and then they would get back much of the vast amounts they had been forced to pay us in

the days of our monopoly. These views they of course kept to themselves, but they were grateful to the great agitator, so they listened, flattered, and generally fooled him to the top of his bent, and the end of his mission, on which he entered with such high hopes, 'impelled by an instinctive emotion which never deceived him,' was *nil*.

Cobden landed on the Continent on the 5th August 1846. The account he gives in his journal of his mission, to preach the gospel of Free Trade to the nations of Europe, is as amusing as the homilies still addressed to them, periodically, by the Cobden Club.¹

A private friend of the Emperor of Russia, Sir Roderick Murchison, assured him, that if instead of going to Italy and Egypt, he would take a trip to St Petersburg, he could exercise an important influence on the mind of Nicholas. 'Here I am,' he writes, 'at Llangollen, blind to the loveliness of nature, and only eager to be on the road to Russia, taking Madrid, Vienna, Berlin and Paris on my way,' inflated with success, and, 'impelled to this step by an instinctive emotion, such as never deceived me,' he starts 'with God's assistance to see the potentates, or statesmen of Europe, for the purpose of enforcing those truths, which have been irresistible at home,' feels that he 'could succeed in making out a stronger case for the prohibitive nations of Europe, to compel them to adopt a freer system, than I had here to overturn our protective policy.' In nearly every important town

¹ The journal will be found in Morley's *Life of Cobden*, Vol. I. chap. xviii.

that he visited, in every country in Europe, they 'celebrated his visit by a banquet, toasts and congratulatory speeches.' He had interviews with the Pope, with three or four kings, with ambassadors and prominent statesmen. He never lost an opportunity of 'speaking a word in season.' They all listened, he flattered them and they flattered him, but alas! the seed fell on stony ground. He could not even induce the Pope, to do more than promise, to use his influence to put down bull-fighting in Spain; nor could he persuade Louis Philippe to regard 'the subject of Free Trade as affecting his own interests,' who preferred 'dwelling on generalities, to the close discussion of Free Trade,' which led him to form 'the opinion that he is a clever actor.' Thiers 'had never thought on the subject of Free Trade, but promised fairly.' In Spain he did not, apparently, get an opportunity of discussing the question. It was different in Italy, where he was feted and treated to a 'dozen banquets, besides private parties without number,' but he could see other motives than compliments to him; his presence had been 'seized on as an excuse for holding a public meeting on a public question, to make speeches and offer toasts *often for the first time.*' At a public dinner in Rome, 'a Doctor Massi, a celebrated improvisatore, delivered an improvisation in the course of the evening upon myself; his look and gestures were strikingly eloquent, even to one, who could not understand his language. There was a wild expression of inspiration in his countenance, which realised the idea of a poet's fine frenzy, and the effect was

heightened by his long, black hair, which streamed from a high, pale brow down upon his shoulders. His emotions imparted to the audience an electrical effect, which now roused them to immoderate excitement, and next melted them to tears.' The last verse was translated to him, 'When you go back to England say you found Italy a corpse, but upon it was planted a green branch, which will one day flower and bring forth fruit.' But alas! the green branch withered, and Italy remains a corpse still. 'The dinner,' Cobden adds, 'went off with great spirit, and remembering that we were sitting so near the walls of the Vatican, I thought it the most cheering proof of the widespread sympathy for Free Trade principles, that I had seen in the course of all my travels.' In Vienna he had an interview with Prince Metternich, who 'talked so incessantly, perhaps, in order to choose his own topics,' Cobden did not, apparently, get in a word on the subject of Free Trade. Baron Kübeck, Austrian Minister of Finance, 'a simple, sincere and straightforward man, expressed himself favourably to a relaxation of the protective system, but spoke of the difficulties which powerful interests put in the way.' In Dresden, he 'saw in a shop window to-day a silk handkerchief for sale, with my portrait engraved and my name attached.' At Berlin he called on Doctor Eichorn, who took an active part in the formation of the Zollverein, 'an able and enthusiastic man, who did not contemplate the establishment of a protective system.' At a dinner given to him by 180 Free Traders, Mr Warren, the United States consul at

Trieste, 'made the best speech ; alluding to my tour in France, Spain, Italy and Germany said, that no English politician of former times, no Chatham, Burke, or Fox, could have obtained those proofs of public sympathy which had been accorded to me.' At St Petersburg he does not appear to have had an interview with the Czar, which is matter for regret, for a discussion on the question of Free Trade, between the Czar of all the Russias and Richard Cobden, could not have failed to interest and amuse us. He, however, called on Count Nesselrode, who received him 'with a profusion of smiles ; he was very civil, and spoke of my Free Trade labours, which he said would be beneficial to Russia.' He afterwards dined with the Count, when, 'we had a lively discussion on Free Trade. Count Kisseleff talked freely, and without much knowledge of the question, whilst Nesselrode sat quietly, with the rest of the company listening to the controversy. My opponents were moderate in their pretensions, and made a stand only for the protection of industries in their infancy. All parties threw overboard cotton spinning as an exotic, which ought not to be encouraged in Russia. A Free Trade debate in Nesselrode's drawing-room must at least have been a novelty.' At Lubeck, he 'was told an anecdote of a man, engaged in the manufacture of iron in that country, who complained of the competition of the English, who paid the freight to Hamburg, and then the expense of carrying it up the Elbe to Bohemia, and then, he added, they undersell me twenty-five per cent. at my own door, and be d—d to them! In

heightened by his long, black hair, which streamed from a high, pale brow down upon his shoulders. His emotions imparted to the audience an electrical effect, which now roused them to immoderate excitement, and next melted them to tears.' The last verse was translated to him, 'When you go back to England say you found Italy a corpse, but upon it was planted a green branch, which will one day flower and bring forth fruit.' But alas! the green branch withered, and Italy remains a corpse still. 'The dinner,' Cobden adds, 'went off with great spirit, and remembering that we were sitting so near the walls of the Vatican, I thought it the most cheering proof of the widespread sympathy for Free Trade principles, that I had seen in the course of all my travels.' In Vienna he had an interview with Prince Metternich, who 'talked so incessantly, perhaps, in order to choose his own topics,' Cobden did not, apparently, get in a word on the subject of Free Trade. Baron Kübeck, Austrian Minister of Finance, 'a simple, sincere and straightforward man, expressed himself favourably to a relaxation of the protective system, but spoke of the difficulties which powerful interests put in the way.' In Dresden, he 'saw in a shop window to-day a silk handkerchief for sale, with my portrait engraved and my name attached.' At Berlin he called on Doctor Eichorn, who took an active part in the formation of the Zollverein, 'an able and enthusiastic man, who did not contemplate the establishment of a protective system.' At a dinner given to him by 180 Free Traders, Mr Warren, the United States consul at

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consequence of which, he went off to Vienna to call for higher protection, by way of supporting native industry.'

Feted and hospitably received everywhere, our missionary seems to have had 'quite a good time,' but the seed sown produced no crop, only the tares of protection. Even the exotic cotton spinning industry in Russia (why an exotic in Russia, any more than in England?) has not been thrown overboard, but continues to grow, and the Bohemian iron manufacturer no longer curses his English competitor, for he has been to Vienna, and got his protection to native industry, while the world looks on, and smiles at England's incomprehensible folly.

After Cobden's return from the Continent, on the 11th October 1847, he entered Parliament as member for the West Riding of Yorkshire, which he represented till 1857. With the political questions, in the discussion of which he took so active a part, we are not concerned, save to note in passing, that he was not in the fifties, any more than he was in the forties, enamoured of the Liberal party, which, as we have said, has never scrupled, for political ends, to pose before the working classes, as the one to which they are indebted for repeal of the Corn Laws, to which they were as much opposed as the Conservatives, and but for whose aid it could not at the time have been carried. The imposture has been successful, and on it, the very existence of the Liberal party has for the last forty years depended, for it cannot be denied,—that the infamous falsehood circulated at the election of

1892, that if Lord Salisbury got back to office,—the people would have to pay 1s. 4d. for their loaf, did much to turn the scale in not a few of the English counties. Here is what Cobden says of the Whigs:—

‘They had done nothing except to revile and oppose us. . . . The Whigs are hugging the delusion that the country wants them back to office. For my part, I cannot meet with anybody, whose face does not drop like the funds, at the bare prospect of the change. . . . What a bold farce is it now, to attempt to parade the Whig party as the free traders *par excellence*! I will be no party to such a fraud, as the attempt to build up its ruined popularity upon a question, in which the Whig aristocracy and proprietors in the counties either took no interest, or, if so, only to resist it.’—*Life*, Vol. I. pages 361-3.

Writing to Mr Lindsay on the 23d March, 1858, he says of the Conservative government then in office. ‘The present men are more honest, and they certainly are more obliging than the last. In this I agree with you, and it might have been said of any Tory government, as compared with any Whig one, since I have been in the political ring. I remember when I came into the House in 1841, after the general election, which gave Peel a majority of 90, I found the Tories more civil in the intercourse of the lobbies and the refreshment rooms, than the Whigs. It runs through all departments.’—*Life*, Vol. II. page 219.

He said, in reference to the vote he gave, which helped to turn out the Derby government in 1852, ‘he never repented so much of a vote in his life.’—*Life*, Vol. II. page 127.

Mr Morley says,—‘It was undoubtedly the interest of the Whigs to help Peel to get the Corn Law out of the way, and then to turn him out. But there was a natural temptation to trip him up before the time. . . . No episode in our history shows in a more distressing light, the trickery and chicane, which some thinkers believe to be inseparable from parliamentary institutions.’—*Life*, Vol. I. page 359.

We now come to Cobden’s negotiation of the French Commercial Treaty of 1860, which has been

so much praised by his admirers, and from their point of view naturally enough, for as the former so-called reforms had only benefited the foreigners at the expense of his countrymen, so now France was to get the substance, and England but the shadow, and in the end not even that. The rabid Free Traders, who regarded reciprocity with abhorrence, and held that, quite irrespective of what France might do, we should abolish the duties on French products, strongly objected to our negotiating a treaty of any kind, but as Mr Morley remarks, and the words, coming from one of a school which regards the economic laws, to which it has pinned its faith, as eternal in their application, are surprising.

‘An economic principle by itself, as all sensible men have now learnt, can never be decisive of anything in the mixed and complex sphere of practice.’—*Life*, Vol. II. page 239.

Cobden spent much time in Paris, wearily haggling over tariffs. If this was not acting on the principle of reciprocity, what was it?¹ How can Free Traders, in the one breath, talk of the great benefits we derived from this treaty, and in the next denounce reciprocity as a deadly sin? Mr Disraeli, who was ever ready to support any measure of his opponents, which seemed likely to benefit the country, speaking in favour of the treaty in a speech, described by Mr Morley as ‘remarkable to this day for its large and comprehensive survey of the whole field of our commerce, and for its discernment of the channels in which it would expand,’ used these statesmanlike words :—

¹ What Huskisson advised as ‘free trade under protection.’

‘In forming connections with the states of Europe, it was obvious that we could only proceed by negotiations. Diplomacy stepped in to weigh and adjust contending interests, to obtain mutual advantages, and ascertain reciprocal equivalents. Our commerce with Europe could only be maintained and extended by treaties.’—*Life*, Vol. II. page 337.

Cobden asked, with curious inconsistency,—

‘Was it fit that the executive government should be allowed to go all over the world, to seek for impediments to Free Trade abroad, in order to excuse them in resisting the removal of impediments at home? It might be very well to talk of a commercial treaty with Portugal, but abolish the monopolies of sugar, corn and coffee, and the vast continent of North and South America would be opened to the manufactures of Great Britain.’—*Life*, Vol. II. page 337.

Did he mean to style the shilling registration fee on corn a monopoly? He had sought for, and greatly plumed himself in having obtained, the removal, *partly*, of the impediments to our trade with France. If that was matter for such high congratulation, why not subject those which remained in Portugal, and elsewhere, to the same treatment? He had only, in the case of France, been able to succeed, by making it plain to her statesmen that, we would only remove our duties on her manufactures, if she would *reduce* hers. Did he expect that we would succeed better with other countries, by first parting with our bargaining power? That is what we did, and the vast continents of North and South America are not open to the manufactures of Great Britain, but are more firmly closed to them than ever.

The treaty was a very one-sided affair, while we abolished our duties on French manufactures, the

French were to retain the power to tax ours up to 30 per cent., and even this gain was not to be left us, for in spite of the Free Trade hopes, so confidently expressed in 1860, that once the French had tasted of the sweets of the system, they would be certain to hunger for more,¹ they have since, not only withdrawn the concessions made in 1860, but, in common with other countries, have very largely increased their tariffs; and so another has to be added to the long list of Cobden's unfulfilled prophecies. A weak feature of the treaty was that the concessions granted to France were extended to Spain and Portugal, from whom we got nothing in return. This was no doubt duly noted by France, and powerfully influenced her action when it terminated in 1870. The following is the explanation of the treaty given by Mr Gladstone in the House of Commons:—

‘France engages to reduce the duty on English coal and coke from the 1st July 1860; on bar, pig-iron and steel from the 1st October 1860; on tools and machinery from the 1st December 1860; and on yarns and goods in flax and hemp, including, I believe, jute, from the 1st June 1861. That is the first important engagement into which France enters. Her

¹ At a meeting of the Liverpool Chamber of Commerce one of the speakers said,—‘We shall have broken through the first defences of the French protective system; and that done, when we shall carry the fortress is a mere question of time. . . . When the French people learn what it is that the barrier of 30 per cent. is keeping out, it will not be long before they will hanker for Free Trade, nor much longer before they will be ardent free traders. . . . Hence it is that I am disposed to regard this treaty, should it continue in operation only a few years, as the sure forerunner of the downfall of the protective system in France.’

second and greater engagement is postponed to the 1st October 1861, when she engages to reduce the duties, and to take away the prohibitions, on all the articles of British production mentioned in a certain list, in such a manner that, no duty upon any one of these articles shall, thereafter, exceed 30 *per cent. ad valorem*. The list to which I refer includes all the staples of British manufacture, whether of yarns, flax, hemp, hair, wool, silk or cotton. All manufactures of skins, leather, bark, wood, iron and all other metals, glass, stoneware, earthenware, or porcelain, etc.

‘England engages, with a limited power of exception, which we propose to exercise only with regard to two or three articles, *to abolish immediately and totally all duties upon all manufactured goods. There will be a sweep, summary, entire and absolute, of what are known as manufactured goods from the face of the British tariff.* Further, England engages to reduce the duty on brandy from 15s. the gallon to the level of the colonial duty, viz., 8s. 2d. per gallon. She engages to reduce immediately the duty on foreign wine. In the treaty it is, of course, French wine which is specified; *but it is perfectly understood between France and ourselves that we proceed with regard to the commodities of all countries alike.* England engages to reduce the duty on wine from 5s. 10d. to 3s. per gallon. She engages, besides a present reduction, farther to reduce that duty from the 1st April 1861 to a scale which has reference to the strength of the wine, measured by the quantity of spirit it contains.’—*Life*, Vol. II. page 291.

Were the authors of this extraordinary treaty guided by ‘the same laws of common sense and homely wisdom, which govern the prosperity of a private concern?’ The ‘summary, entire and absolute sweep of our duties,’ which our ‘heaven-born finance minister’ announced with such an air of pride, has, as the following average yearly imports from, and exports to France, in millions sterling, show, resulted much more to France’s advantage than ours :—

1859-63.	1864-68.	1869-73.	1874-78.	1879-83.	1884-88.	1889-92.	
19	32	37	45	40	37	45	} Imports from France. Exports to France.
17	24	28	27	29	23	23	

These imports from France consist chiefly of luxuries we could very well do without. If we took none of the latter from her, we should as a nation be so much the richer, and have greater employment for the people.

Cobden's lack of business capacity wholly unfitted him for being a statesman, or a safe guide to follow, in the framing of a new commercial policy, involving changes of the most far-reaching and momentous character. In his unbounded self-confidence, which was the main feature of his character, he vainly believed, wholly forgetting how time and place alter circumstances, in what was an indispensable element of its success—the universality of Free Trade. It never occurred to him, to put himself in the position of foreign countries, anxious to promote the growth of their manufactures, and view the question from their standpoint. Yet a moment's consideration might have shown him that, his great object, the enlarging of the demand abroad for British manufactures, was not one likely to commend itself to them. They could not help seeing, *what an enormous advantage it would be to us, while able to undersell them, to have their ports open, but certain to prove fatal to their industries ; just, as it is now of still greater advantage to them, to be able, untaxed, to dispose of their surplus stocks in the British market.*

His denunciations of the Corn Laws were successful, because he appealed to the self-interest of his audience, but when he afterwards stood forth as the advocate of peace and disarmament, and again resorted to the old game of wildly abusing the aristocracy,—who, he said, ‘without the expenditure on wars and armaments could not endure, and bring on wars on their own account,’—he could scarcely obtain a hearing. Nor would he have been more successful as a Corn Law agitator, had the land in this country, instead of being owned by a small minority of the population, been, as in France, owned by four million landlords, whose very existence depends on protection. His intolerance, the natural concomitant of his overweening self-confidence, and proneness to ascribe the basest of motives to all who dared to disagree with him, is seen in every speech he uttered. When the manufacturers turned Bright out of Manchester, he calls them ‘base snobs’ (*Life*, Vol. II. page 197), and referring to one of his own class, who had made a failure in seconding the address, he says,—

‘I have never known a manufacturing representative, put into a cocked hat, breeches and ruffles, with a sword by his side, to make a speech for Government without having his head turned by the feathers and frippery. Generally they give way to a paroxysm of snobbery, and go down on their betters, and throw dust on their heads, and fling dirt at the prominent men of their own order.’ But, when Bright is afterwards returned for Birmingham, he describes the electors as ‘honest and independent,’ and ‘free from aristocratic snobbery.’

Nor is his biographer far behind him in misrepresentation and intolerance. In regard to a very true

remark made by a lady, that 'Cobden's policy never rose above that of a bagman's millenium,' Mr Morley breaks out,—'This was the clever way among the selfish and insolent, of saying that the ideal, which Cobden cherished, was comfort for the masses, not luxury for the few. He knew much better than they (*i.e.*, the class whose lives are one long course of indolence, dilettantism and sensuality) that material comfort is, as little as luxury, the highest satisfaction of man's highest capacities ; but he could well afford to scorn the demand for fine ideals of life on the lips of a class, who were starving the workers of the country, in order to save their own rents.' A charge, which we have seen, was as false and malicious, as it was grotesquely ludicrous.

Cobden died on the 2d April, 1865, in his 60th year.

CHAPTER IV.

COBDEN'S ARGUMENTS EXAMINED.

Accepted by Mr Morley as Incontrovertible—The Bread Tax, a 'Tax of 40 per cent. on the Poorer Classes'—The Corn Law and the Speculators—The League offered a Shipment of Wheat—'7,000,000 to 8,000,000 of People without Wheaten Bread'—Estimates Consumption of Wheat at 20,000,000 Quarters—Production at 20,000,000 Quarters, which could be increased One-fourth—'The Delusion of the Landed Gentry'—'Why does Parliament not fix the Price of my Printed Calicoes?'—The Corn Law failed to keep up the Price of Corn—What the effect of Free Trade in Corn would be—Fluctuation in the Prices of Wheat—Cost of Transport 10s. 6d. per Quarter—The Lesson he wished to impress on the House—When Wheat rises Wages fall—Sneers at Sanitation—His Opinion of the Working Classes—Did not support the Factory Acts—Abuse of Landlords—Lord Stanley's Account of His Draining Experiences 'a Piece of Gratuitous Impertinence'—Labourers Small Consumers—We can procure from Abroad only 2,700,000 Quarters of Wheat and Flour—The Putrescent Cow—The Salient Fact in which their Whole Case was comprised—Political Economists in 'Fustian Jackets'—Rent the Cause of Farming Distress—Land a Raw Material—Abuse of Sir Robert Peel—Charge Peel's Opponents with having 'inflicted Martyrdom upon Him'—Free Trade! What is It?—A Bombastic Prophecy.

'Was there ever a successful impostor, who did not commence by a fraud on his own understanding?'—LORD LYTTON.

MR MORLEY, while skilfully placing before his readers Cobden's arguments in favour of the repeal of the Corn Laws, which he treats as incontrovertible,

takes no notice, save incidentally, and then in a very perfunctory fashion, of what is to be said on the other side. He fails to see the numerous inconsistencies, silently passes over the falsified prophecies, and generally shows himself to be lacking in the practical acquaintance, as to how commerce is conducted, of the merchant, or manufacturer, who daily sees the working of our fiscal policy subjected to the test of facts, by which alone it must stand or fall. It never, for instance, appears to have occurred to him, that Cobden's assumption, on which every contention advanced by him is based, viz.,—that the whole of the duty invariably falls to be paid by the consumer,—must first be incontestibly proved, before the arguments, built on it, can be accepted. Yet herein lies the crux of the whole controversy, for, if as we shall be able clearly to show that—on such imports as we can internally produce, the consumer does not pay the whole of the duty, and frequently no part of it—our system is at once seen to be based on a fallacy of immeasurable importance to our trade, and that the attempt to 'fight hostile tariffs with free imports,' is one under which no industry can live and thrive. We cannot, therefore, accept Mr Morley as an authority on the subject, any more, than we should be prepared to regard his opinion on a question of law or medicine as authoritative. Yet, who among us are more ready to lay down the law to business men, than those who have no commercial experience, and, who would be more amused than they, did a business man presume to differ from them, on a point

connected with their profession? We may go further, and take leave to doubt, if one of these gentlemen, who talks so learnedly on fiscal questions, has ever given an hour of his attention to the arguments in favour of protection, or even to an impartial examination of the facts and figures advanced by Cobden. Yet these lie at the root of the whole question, for only in so far as they are true, can the deductions, drawn from them, be worthy of consideration. With some of these arguments and statements we shall now deal.

‘The Bread Tax is a tax primarily levied upon the poorer classes; it is a tax, at the lowest estimate, of 40 per cent. above the price we should pay if there was a free trade in corn. The report upon the hand-loom weavers puts down 10s. as the estimated weekly earnings of a family, and states, that in all parts of the United Kingdom, that will be found to be not an unfair estimate of the earnings of every labourer’s family; it, moreover, states that, out of 10s., each family expends 5s. on bread. The tax of 40 per cent. is, therefore, a tax of 2s. upon every labouring man’s family earning 10s. a-week, or 20 per cent. on their earnings.’—*Speech*, House of Commons, 25th August, 1841.

It is here assumed, that the whole earnings of a weaver’s family, only amount to 10s. per week, a half of which he spends in bread, and, that if there was no Corn Law, he would save 2s. per week, or £5, 4s. per annum. During the ten years 1832-41, the average price of wheat was 56s. 9d., or, 3s. 5d. in excess of what it averaged, during the ten years following repeal, 1850-59. Taking the yearly consumption at what it is to-day, 350 lbs. per head, and a family to average five persons, we find the difference only comes to 12s. 6d. per annum, instead of £5, 4s. If we exclude

the three years of distress, 1839-41, we find the average price for the remaining seven years is 52s. 3d., or exactly what it averaged during the thirty years after the repeal of the Corn Laws. It is incredible that Cobden could have really believed, that the corn duty was simply an addition to the price, of which the working man would be relieved by repeal. The duty when he spoke was, when the price was under 53s., 34s. 8d., or, less the duty, 18s. 4d., a price at which it cannot be produced in this, or any other country.

‘The Corn Law has ruined the Corn Law speculator. (A laugh.) You may laugh; but is it a triumph to ruin the corn dealers, or cause a loss of £2,000,000 of money? When you have ruined the corn speculators, who will supply you with foreign wheat? The Corn Law is in such a state that no regular merchant will engage in the corn trade. . . . I was offered, or rather the Anti-Corn Law League was offered, a contribution of wheat from one of the Western States of America, on condition we should pay the cost of transit. We found it would not pay the expense of carriage. We found, when it was sold here, there would not be one farthing for the League.’—*Speech*, House of Commons, 17th February, 1843.

How possibly could the Corn Law be the cause of the losses of the speculators? They simply speculated on a good, or bad, harvest. If it pleased Providence to bless us, as in 1843, with a bountiful harvest, when they had speculated on its turning out a bad one, and lost their money, how were they entitled to the sympathy of the House? and of Cobden, of all men, seeing the tendency of their operations was to force up prices, which he was so anxious to reduce.

On his own showing, as we shall see, the supplies we could get from abroad were limited. As it was not, therefore, on these they speculated, but on the prospects of the home harvest, it was manifestly absurd to say, that no regular merchant would, in the state of the Corn Law, engage in the corn trade. They not only then engaged in it, but had actually, as he later on tells us, been procuring for us all that the outside world had to sell. This was mere clap-trap.

Nor can we feel much sympathy for the heavily subsidised League, under its inability to avail itself of America's generous offer. That offer must have been made after the Corn Bill of 1842 became law. In that year the price was 51s. 3d. and the duty 19s. This allowed a margin for expenses of transport of 32s. 3d. a quarter, which only proved, if his statement was true, that Corn Law, or no Corn Law, it was impossible at that time for America to supply us with wheat. If the offer was made between 1838-41, when, owing to the series of bad harvests, the lowest price reached was 64s. 4d. and the duty 22s. 8d., there was even then a margin of 41s. 8d., which is difficult to reconcile with his assertion in the following year, that the cost of transport, 'freight, landing, loading, insurance and other items of every kind,' amounted to 10s. 6d. per quarter, and that we had, as we shall find him asserting in 1845, actually been receiving in 1839-41 wheat from the United States!

'There are 7,000,000 to 8,000,000 people without wheaten bread. If the people continue to descend in the scale of physical comfort, and to eat potatoes, the hope of moral im-

provement, which the friends of humanity indulge, must be altogether disappointed.' — *Speech*, House of Commons, 15th May, 1843.

Cobden does not give his authority for this statement. Fortunately, we are able to bring it to the test of facts. Accepting his own estimate, and he was not likely to make it too high, of the annual home wheat production, at that time, as 20,000,000 quarters, and adding the million we were then importing, we get for the consumption of the population in 1842 (27,000,000), 373 lbs. per head, or 23 lbs. more than it is at the present day! How then, possibly, could there have been '7,000,000 to 8,000,000 people without wheaten bread? The fact that wheat was selling, at the very time he was speaking, May 1843, at 46s. 10d., was of itself sufficient to show the falsity of the assertion.

'The estimated consumption of grain per annum in this country is 20,000,000 quarters of wheat, and 40,000,000 quarters of all other kinds of grain. It follows, therefore, that the additional cost of grain in each of the three years of distress was, say, 20,000,000 quarters of wheat at 20s., £20,000,000 sterling — 40,000,000 quarters of all other kinds of grain at 8s., £16,000,000 sterling; together £36,000,000 sterling. But grain is not the only article of agricultural produce, though grain governs the price of the other articles. It is estimated, that the consumption of potatoes, cheese, meat and all other articles of agricultural produce is equal to the quantity of grain (60,000,000 of quarters), and the price of the one, being, as I have said, governed by the other, taking the advance in price as equal to 8s. a quarter, here is a further addition of £24,000,000 sterling, making a total of £60,000,000 sterling per annum, or £30,000,000 for the half-year, or £5,000,000 per month. All this difference in price was left in the pockets of the people the first six months of the present year; which saving, after supplying food and other agricultural produce, they were thus able to spend in

other ways, in buying articles of linen and cotton manufacture, hats, bonnets, and so forth. . . . Free Trade would be the means of enabling the people to have a double supply of food.'—*Speech*, House of Commons, 28th September, 1843.

Here we are asked to believe, notwithstanding his assertion, to which we shall come presently, *that during the three years, 1839-41, the Corn Law was 'virtually suspended,' and 'we ransacked the world' for wheat; we could not obtain more from abroad than 2,700,000 quarters—that but for the Corn Law, we should have saved these £60,000,000 sterling and the people would have had a 'double supply of food!'* Here also is a man, who had set himself up to teach his country political economy, gravely asserting that, wholly irrespective of the laws of supply and demand, all kinds of agricultural produce rise or fall, in the same proportion with grain, when it is self-evident, that when bread is dear, the people have less to spend on meat, cheese, butter and eggs, just as he himself, oddly enough, proceeds to show, they have, when it falls, more to spend on 'linen and cotton manufactures, hats, bonnets, and so forth.' If it is true, that the prices of other kinds of agricultural produce, rise and fall with the price of grain, how is it that to-day, when wheat has in the last fifteen years fallen 25s. a quarter, meat, cheese, butter, eggs, etc., have, as compared with forty years ago, doubled in price?

'*We produce only about 20,000,000 quarters of wheat; it appears now that the land can produce, and ought to produce, 5,000,000 of quarters of wheat more,*' and in reply to Mr Fisher Hobbes, who had said, that 'this increase in production

could be brought about by the farmers having confidence, leases, draining, etc.' Cobden remarked, 'I have never been one who believed that the repeal of the Corn Laws could throw an acre of land out of cultivation, but only now does it appear, that land is not to be thrown out of cultivation, but if we take the testimony of these gentlemen themselves, all that is required is free trade in corn, that they may produce one-fourth more than they now do.'—*Speech*, Manchester, 19th October, 1843.

'Why, they say, we should be an exporting country if we only grew as much as we may grow. . . . I believe there is not an interest in the country that would receive so much benefit from the repeal of the Corn Laws as the farmer tenant interest in this country; and I believe, when the future historian comes to write the history of agriculture, he will have to state—In such a year there was a stringent Corn Law passed for the protection of agriculture. From that time agriculture slumbered in England, and it was not until, by the aid of the Anti-Corn Law League, the Corn Law was utterly abolished, that agriculture sprang up to the full vigour of its existence in England, to become what it now is, like her manufactures, unrivalled in the world.'—*Speech*, Manchester, 24th October, 1844.

We crave the reader's earnest attention to these passages, for they have a most important bearing on the Anti-Corn Law controversy. If our consumption was then 20,000,000 quarters of wheat, and we were producing this amount, which could, with ease, be increased to 25,000,000, what was all the agitation about? Why did he want to bring in foreign corn? and on what economic principle did he argue, that all that was wanted was a free trade in corn, to make our farmers go with confidence into wheat cultivation? Let us suppose that the 20 per cent. duty, by which his calicoes were in 1843 protected, had been repealed, and that he had, in consequence, reason to

expect increased supplies from the Continent, would he have proceeded to add to his production? Manufacturers increase their output, when they anticipate a scarcity, and curtail it, when they have reason to fear a glut; but, according to Cobden, it was to be wholly different in the case of agriculture. Excessive competition, the ruin of most industries, was in its case to ensure prosperity! The poor, gullible farmers believed it all, flocked to learn how they should conduct their business, from the man who had made such a mess of his own; and the historian has had to record, that in 1846 the British Government, which had wisely fostered agriculture, abandoned it to its fate, and that from that hour its decline began, and steadily continued, until, from producing annually 22,000,000, it came to produce only 6,500,000 quarters of wheat. It will hardly be credited, that in the passage referred to, Mr Fisher Hobbes does not say one word about a free trade in corn.

In the same speech he quotes, with high approval, Mr Wrightson, whom he styles 'a most estimable man,'—as all were who agreed with him,—as having said, 'The great delusion of our landed gentry is this: they think, if they can prevent the hand-loom weaver exchanging his web for the corn of America, that they keep that man at home, a customer to themselves. Now (he says) that is our greatest delusion. If we would allow that man to exchange his web for American corn, he would then have a considerable surplus of earnings to lay out with us for fresh meat, for vegetables, for butter, milk, cheese and other things. But if we prevent that man exchanging his web for the corn of America, we deprive ourselves of him as a customer for those articles, and we are obliged to subsist him altogether as a pauper,' which, Cobden adds, 'puts the case as properly as I have heard it for a long time.'

Cobden does not appear to have studied Adam Smith, for in only one instance does he in any of speeches refer to him, and even then, the passage quoted has no bearing on Free Trade, but on the right of the workman to dispose of his labour as he likes. It will be seen from the passage we have quoted from *Wealth of Nations*, in the first chapter, that Mr Wrightson's view is in direct antagonism to that held by Adam Smith. The weaver, by exchanging his web for American corn, might have realised, say, 10 per cent. more, than if he had exchanged it for the produce of his own country, but with whom is the farmer to exchange his corn? Obviously, by the amount of American corn the weaver receives, is the farmer's produce displaced. The weaver has 10 per cent. more to spend on meat vegetables, etc., but those, engaged in cultivating the soil, have 100 per cent. less of created wealth, wherewith to purchase 'linen, cotton manufactures, hats, bonnets, etc.' The weaver gains 10 per cent. on the exchange, but there is a national loss of 90 per cent. In these days, the weaver can no longer exchange his web for the corn of America, for America now manufactures her own webs; and Free Trade has not kept the weaver at home; it has not enabled us 'to retain him as a customer,' nor 'has it kept him out of the workhouse.'

'I am a manufacturer of clothing, and I do not know why, in this climate, and the artificial state of society in which we live, the making of clothes should not be as honourable,—because it is pretty near as useful a pursuit as the manufacture of food. Well, did you ever hear any debate in the House to

fix the price of my commodities in the market? Suppose we had a majority of cotton spinners, which happens to be my manufacture, in the House; and if we had a majority, I have no doubt we should find Sir Robert Peel quite ready to do our work for us; he is the son of a cotton printer, and I dare say, he would do it as well for us as any one else. Let us suppose that you were reading the newspapers some fine morning, and saw an account of a majority of the House, having been engaged, the night before, in fixing the price at which yard wide goods should be sold. Yard wide prints of such a quality, 10d. per yard; of such a quality, 9d.; of such a quality, 8d.; of such a quality, 7d., and so on. Why, you would rub your eyes with astonishment! You would clear your spectacles, if you wore any, and you would doubt your own senses. The very boys in the streets leading to Parliament, and the cabmen and omnibus drivers would hoot and hiss us out of the Metropolis.'—*Speech*, London, 8th February, 1844.

Mr Cobden said, 'The price of wheat when the Corn Law was passed was 56s., and now only 45s., and that if another good harvest occurred it would probably be only about 35s. What, then, was the benefit of protection. . . . Protection had been a failure when it reached a prohibitory price of 80s. a quarter; it had been a failure when it reached the pivot price of 60s., and it was a failure now when they had got a sliding scale.'—*Annual Register*.

In 1844 his cotton goods were protected by a duty of 20 per cent. If, therefore, the price of wheat was fixed by Parliament, it must also have fixed the price of his printed calicoes. No man knew better than Cobden, that not only had the House never been asked to fix the price of wheat, but that no legislation in the world could do so; and he also knew, that the Corn Laws had been imposed by those responsible for the carrying on of the Government, for the purpose of making the country independent of foreign countries for its food supplies. Here it is

impossible to acquit him of dishonestly seeking to impose on his audience.

In the passage, we have quoted from the *Annual Register*, he not only shows that, the House had not fixed the price of wheat, but knocks the bottom out of the whole Free Trade argument. If the Corn Laws had so signally failed to keep up the price, seeing that the price was 45s. and likely to go to 35s., by what process of reasoning could he contend, after such an admission, that the duty was added to the price? But protection had not failed. Under the stimulus it had imparted to agriculture, we were then producing annually 22,000,000 quarters of wheat, against only 14,000,000 in 1815, a larger supply than would have been available for consumption had the Corn Laws never existed.

‘The effect of free trade in corn would be this : it would increase the demand for agricultural produce in Poland, Germany and America. That increase in the demand for agricultural produce would give rise to an increased demand for labour in those countries, which would tend to raise the wages of the agricultural labourers. The effect of that would be, to draw away labourers from manufactures in all those places. To pay for that corn, more manufactures would be required from this country ; this would lead to an increased demand for labour in the manufacturing districts, which would necessarily be attended with a rise of wages, in order that the goods might be made for the purpose of exchanging for the corn brought from abroad.’—*Speech*, London, 8th February, 1844.

In this exposition of Free Trade, we see the aim and object of Cobden and his class. Free Trade in corn was to widen the demand for their manufactures ; to divert foreign manufacture to agriculture, and so

enable them to retain the monopoly they saw slipping from their grasp. We were then producing as much wheat as we required, and at the rate at which agriculture had been progressing under protection, might shortly be expected to produce 5,000,000 quarters more. Where, then, was to arise the demand for foreign corn, which was to lead other countries to abandon manufacture, in order to grow grain for the English market? Nay more, what probability was there, that they, seeing what manufacture had done for Britain, would be content with any such *rôle*? Free Trade, he said, would tend to raise the wages of the agricultural labourers in Poland, Germany and America; but how, if manufacture was to be abandoned, could the mere transference of the labourers from one industry to another, which required less labour, raise his wages? On the contrary, it would depress them, and diminish his power to consume. Cobden and his friends got their Free Trade in corn, and has the result been as they anticipated? It has not, as they selfishly and foolishly hoped, turned other countries from manufacture, and it has not been attended with a rise of wages, in the way he foretold, for if these have risen it has been attributable to other causes. He gave utterance to many transparent absurdities, but to none more grotesquely ridiculous than this. It is the gospel of Free Trade, according to Cobden, and as such we commend it to the attention of the reader.

‘I have taken some pains to consult those who understand the subject, and I find it to be their opinion that a constant

demand from England under a free trade, would have raised the level of European prices 2s. or 3s., a quarter, during the above period, 1832-41. If this be a fair estimate, it brings the price up to within 5s. or 6s. a quarter of our average. Was this difference in price to throw land out of cultivation, annihilate rent, ruin the farmers and pauperise the labourers? But in years of high prices the farmers do not receive the highest price for their corn. On the contrary, they sell their corn at the lowest prices, and the speculator sells his at the highest. A short time ago, I met a miller from near Winchester, who told me the prices which he paid every year for the corn, which he purchased, before the harvest and after the harvest, during five years. That statement I beg to read to the House, —

				Load of 5 qrs.
1839.	August,	.	Wheat,	£19 10 0
	November,	.	"	16 0 0
1840.	August,	.	"	18 0 0
	October,	.	"	14 5 0
1841.	August,	.	"	19 0 0
	October,	.	"	15 0 0
1842.	August,	.	"	17 0 0
	September,	.	"	12 0 0
1843.	July,	.	"	15 15 0
	September,	.	"	12 10 0

Thus in these five years there had been a difference of £3, 10s. a load, or 15s. a quarter between the price of wheat in July and August, and in October and November in each year, showing, beyond dispute, that the farmer did not sell his corn at the highest but at the lowest of the markets. . . . As far as I can obtain information from the books of merchants, the cost of transit from Dantzic, during an average of ten years, may be put down at 10s. 6d. a quarter, including in this, freight, landing, loading, insurance and other items of every kind. This is the natural protection enjoyed by the farmer of this country.'—*Speech*, House of Commons, 12th March, 1844.

We have here a most important admission. Hitherto we have seen him argue on the assumption that the duty was wholly added to the price. Now

it seems, that had the Corn Laws been repealed, the consumer would not have got the full benefit, but that 2s. to 3s. would have been retained by the foreigner! The price, he says, would then come to within 5s. or 6s. of our own average, and as the cost of transit from Dantzic was 10s. 6d. a quarter, he wished the House to infer, that wheat could not be laid down in England, save at a loss of 4s. 6d. to 5s. 6d. per quarter. If, then, it was impossible for the foreigner, even under Free Trade, to compete with our agriculturists, what was to be gained by the repeal of the Corn Laws?

We have seen him indignant with the House, because, it did not feel sympathy for the speculators, when they incurred heavy losses; now it is invoked for their victims, the farmers, whose sufferings at the hands of the speculator, he here uses as an argument against the Corn Law. But surely it must be obvious to the meanest capacity, that increased importations of corn would but thrust a new weapon into the hands of the speculator, who would thereby be able to say to the farmer,—‘If you do not accept my offer, I will buy foreign corn.’ And herein lies one of the great difficulties of the farmer at the present day. Foreign importations of food stuffs have so enormously increased, the home producer is simply at the mercy of the middleman, who charges such large profits, the consumer gets but little benefit from the low prices paid to the agriculturist. He regarded the cost of transit, 10s. 6d. per quarter, as ‘a natural protection’ to the farmer; but what

prospect was there that this protection would be continued? The rates of freight, insurance, etc., were yearly being reduced. The railway system, which, curiously enough, he systematically ignores, was then being rapidly extended, still further quickening, and cheapening the means of transit. This protection, as the farmer knows to his cost, has vanished. Instead of the cost of transit from the United States being, if his statement, regarding the contribution of wheat offered to the League, was true, 32s. 3d., wheat is now often carried from the United States, as ballast, or at 1s. to 2s. freight per quarter.

‘The lesson I wish to impress on gentlemen opposite is this, that the price of commodities may spring from two causes—a temporary, fleeting and retributive high price, produced by scarcity; or a permanent and natural high price, produced by prosperity. In the case of wool, you had a high price springing from the prosperity of the consumers. It so happens that in the case of this article of wool, that the price has been highest when the importation has been most considerable, and lowest in the years when the importation has been comparatively small. I beg to read a statement which illustrates this fact,—

1827.	10d. per lb.	.	29,115,341	} lbs. imported.
1829.	7d. „	.	21,516,649	
1836.	18d. „	.	64,239,000	
1841.	11d. „	.	56,170,000	
1842.	10d. „	.	45,833,000	

—*Speech*, House of Commons, 12th March, 1844.

It goes without saying, that high prices induce large importations, but, says Cobden, you may have ‘high prices from scarcity, and high prices from prosperity.’ Of course we can; for the more prosperous we are, the more we shall consume, but

according to the laws of supply and demand, it is scarcity alone, no matter how brought about, that can send up prices, for, the moment the supply becomes more than equal to the demand, they begin to recede—just as in 1836 the price of 18d. naturally attracted large imports and produced the fall in value afterwards. If, however, we refer to the *Annual Register*, we find that 1836 was not a year of prosperity, but one of excessive speculation, which produced great distress, and that in 1827 there was an improvement in trade. This was the lesson he was so anxious to impress on the House; from which they were asked to conclude that with excessive importations of corn they might expect permanent high prices! If such was one of the principles, on which he conducted his business, we need not wonder at its collapse.

Cobden was never tired of asserting, that the rates of wages were governed by the price of bread—that when wheat rose, wages fell, and that when wheat fell, wages rose—and further, that there never was prosperity, when wheat was at a high price.¹ It certainly is not so at the present day, for, with wheat lower than it has ever been, never has trade been

¹ The Poor Law Commissioners, in a report to Parliament in 1849, stated that, ‘*When wheat was at a low price, poor rates were high—that when wheat was at a high price, poor rates were low.*’ The report showed that during the seven years 1838, 1839, 1840, 1841, 1842, 1847 and 1848, when the price of the quarter of wheat averaged 63s. 8d., £2,045,434, or 5 per cent. less, had been expended for relief of the poor than in 1835, 1836, 1837, 1843, 1844, 1845 and 1846, when the price of wheat averaged 49s. 2d. In the first seven years the amount levied was £46,547,340, against, in the latter seven years, £44,501,906.—(See *Quarterly Review*, 1849.)

more depressed, and as a simple question of fact, it never was so prosperous, as when wheat was about 50s. Wages simply rise, or fall, with the demand for labour. A good harvest, a vastly more important element, as regarded the general trade of the country, then, when we produced all we acquired, than now, when we have come to depend on the foreigner, and when it scarcely enters into the calculations of business men—certainly imparted a stimulus to trade, and so far raised wages—railway building and the gold discoveries, which largely increased the demand for our manufactures, of themselves, wholly irrespective of the price of bread, created an enormous demand for labour, but such important factors he wholly ignores. To say that it was the price of bread which governed the rates of wages was transparently absurd; an error into which Cobden fell, by his inability to see an inch beyond the Corn Laws, to which he ascribed a potential power they never possessed, and which, as we have seen him assert, had wholly failed to maintain wheat at a high price. Here we find him in direct conflict with Adam Smith.

‘The wages of labour do not in Great Britain fluctuate with the price of provisions. Wages vary everywhere from year to year, frequently from month to month. But in many places the money price of labour remains uniformly the same, sometimes for half-a-century together.’—*Wealth of Nations*, Book I. chap. viii.

It was untrue that, the country was never prosperous, when wheat was at a high price, and always prosperous when it was at a low price. In 1815 the

price of wheat was 8s. 5d. lower than it was in 1814, yet 1815 was a year of severe depression. 1821-22 were years of great distress, with wheat at 54s. 5d. and 43s. 3d., while in 1824-25, with wheat at 62s. and 66s. 6d., there was great prosperity. In 1826, when the price had fallen to 56s. 11d., there was distress, and the same in 1833 when the price was 52s. 11d. In 1831, when it had risen to 66s. 4d., trade was in a fairly prosperous condition; while in 1836, with the price as low as 48s. 6d., there was great depression and suffering.

That Cobden was simply a fanatic, dominated by the idea that, the abolition of the Corn Laws was the one panacea for all the ills of his country, which made him intolerant and jealous of any rival scheme—is shown by the following extraordinary outburst:—

‘A meeting had been held,’ he says, ‘by all sorts of men, assembled, what think you for? To devise means and to raise a society to look after the health of towns,’ in regard to which he sneeringly adds: ‘They will give you ventilation, air, water, drainage, open courts and alleys, anything in the world but bread.’—*Speech*, London, 11th December, 1844.

He told the House he ‘had never seen the ignorance of members on the other side of the House, equalled amongst any equal number of working-men in the North of England.’—*Speech*, 24th February, 1842.

This was hard on the House, especially, as he seems to have entertained a very poor opinion of the working classes. He writes to his brother,—

‘Depend upon it, nothing can be got by fraternising with Trades Unions. They are founded upon principles of brutal tyranny and monopoly. I would rather live under a Dey of Algiers than a Trades Committee.’—*Life*, Vol. I. page 299.

‘ You never heard me quote the superior judgment of the working classes in any deliberation in this assembly. You never heard me cant about the superior claims of the working classes to arbitrate on this great question.’—*Life*, Vol. I. pages 401-2.

He did not support the Factory Acts of 1847, which limited the hours of labour for young people to ten hours, while Bright gave them his ‘ strenuous opposition.’ The latter said,—

‘ He would not detain the House further, but, believing as he did in his heart that, the proposition would be most injurious and destructive to the best interest of the country ; believing that, it was contrary to all sound principles of legislation, that it was advocated by those, who had no knowledge of the economy of manufactures ; *believing that, it was one of the worst measures ever passed in the shape of an Act of the Legislature*, and that, if it was now made law, the necessities of trade and the demands alike of the workmen and the masters would compel them to retrace the steps they had taken ; believing this, he felt compelled to give to the motion, for a second reading of this Bill, his most strenuous opposition.’—*Speech*, House of Commons, 10th February, 1847.

This justifies us in entertaining grave doubts as to Cobden’s sincerity. With a lofty profession of patriotism, he was stumping the country, furiously denouncing the Government and the landlords, for starving the people—and not only refusing to lift a finger, to prevent women and children from being made to work, and that by the class to which he belonged, under conditions ‘ hardly less horrible than those of negro slavery,’ but actually accusing Lord Ashley, and those who supported the Factory Law, of having introduced the measure for the purpose of harassing and retaliating on the manufacturers! *Life*, Vol. I. p. 304. This of itself goes far to prove,

that, the one object was to keep down the cost of manufacture, and the hollowness of the cry about a starving people. He told the House,—

‘That by deteriorating that population, of which they ought to be so proud, they will run the risk of spoiling, not merely the animal, but the intellectual creature, and that it is not a potato-fed race that will ever lead the way in arts, arms, or commerce. To have a useful and a prosperous people, we must take care that they are well fed.’—*Speech*, 24th February, 1842.

But did not these words more truly apply to children being made to work under conditions which could not fail to destroy their physique, and with it their intellectual power in after life? It was on the landlords, however, that he poured out the vials of his wrath.

‘Rents are rising. When Heaven smiles upon the fields and our harvests are abundant, the landlord extorts his rents from the distress and capital of the farmer.’ He accused them of ‘raising their rents from the capital and labour of the trading community, or, from the capital of their own deluded victims, the farmers. Oh ! shame upon the order. I say shame upon the landlords and their order, unless they shall speedily rescue themselves from this pitiable, if they deserve pity, this degrading dilemma. The landlords will very soon be ashamed to hold up their heads and own themselves to be English landowners, and members of the aristocracy in any enlightened and civilised country in Europe,’ and in the next breath he tells them, he does not ‘seek to injure them pecuniarily, and that they have nothing pecuniarily, they have nothing, ultimately, to dread from a free trade in corn.’—*Speech*, London, 28th September, 1843.

Lord Stanley, at a meeting of the Agricultural Society, had said, ‘There is no investment in the world, in which a landlord can so safely, so usefully, or so profitably invest his capital, as in the improvement of his own farm, by money sunk in draining on the security of the land, which belongs to himself. . . . In this last year we have laid down in deep draining, somewhere

about 300 miles of drains, at an expense of between £5000 and £6000, and, I think, employed about a million and a half of draining tiles.' On which Cobden breaks out, 'I do not want to say anything rude or uncivil, and I will not apply my remarks personally to Lord Stanley; but I will say this, that the whole course of the conduct of these gentlemen in their exhibitions—the landlords—when they parade to the world what they condescend to do with their land, is just a gratuitous piece of impertinence to the rest of the community. What do we care what they do with their land? Whether they put down draining tiles or not; all we say is this, "If you do not make the most of your lands, it is no reason why we should be starving that you may grow rushes." It is gross humbug, to use no milder term, on the part of those, who come forward at the agricultural meetings, to glorify themselves about the mode in which they choose to dispose of their private property. . . . They, the landlords, are buckling on their armour to meet the coming competition, which coming competition will do for them, which nothing else will do, and what it has done for manufactures—it will make the agriculturists of the country capable of competing with the farmers of any part of the world.'—*Speech*, Manchester, 24th October, 1844.

The good harvests in 1843 and 1844, and low prices of wheat, had somewhat damped the prospects of the League—hence this gratuitous and insolent attack on Lord Stanley. In everything the landlords did, he saw some evil motive; at one time they are 'fools' or 'blockheads,' or, 'a band of dishonest confederates, who ground down the wages of labour'; at another, if they venture, at an agricultural meeting, to mention what they are doing in the way of draining, it 'is a gratuitous piece of impertinence' and 'gross humbug.' He accuses them of extorting their 'rents from the distress and capital,' not only of the farmer, but 'from the capital and labour of the trading community,' which sounds very comic in the mouth of

the man, who, for twenty-five years tried to extort a rent for the land he bought on speculation in Manchester, and failing in that, sought to saddle his friends with it. If Cobden's motives were as pure and disinterested as he pretended, we should have expected to find him hail with enthusiasm any methods, or improvements, which promised to lead to an increase in the home production of wheat, but, when we hear him denounce draining as an 'impertinence'—the good effects of which, were only then coming to be understood—we are fully justified in concluding that, it was not abundance of food he wanted,¹ but foreign supplies of it, which were to enlarge the demand for manufactures. Indeed it is impossible to avoid the conclusion—that this outburst was prompted, not by the desire to save the people from starvation, which, with wheat at 51s. 3d., did not exist, but by a fear, that with the improvements in agriculture then being introduced, there would soon be no room for foreign wheat, *the free import of which, it was insanely imagined, would divert foreign countries from manufacture.* It was but in another form, the motive which led the manufacturers in 1815, to petition against the Corn Law, under the fear it would raise wages. The hope now was, as there is abundant evidence to show, that if we bought their corn largely, foreign countries would abandon manufacture, and exchange their corn for our products. The more corn, therefore, we imported, the more they would

¹ Cobden said, when accused of wishing to bring about a general fall in prices, 'it was not low prices but abundance he wanted.'

take of Manchester manufactures, and we were hypocritically asked to believe, that after repeal we should grow one-fourth more than we did before!¹ It was the wildest of delusions, which has recoiled with crushing effect on its authors, the manufacturers, who, instead of exchanging their products for foreign corn, have now to fight for their very lives against foreign competition in their own markets, which are seriously affected by the reduced spendable power of all connected with agriculture.

But what did he mean by saying, that free competition would do for agriculture, what it had done for manufacture? At the time he spoke, the latter was protected 20 per cent. and in the earlier part of the century, 59 to 142 per cent. Our supremacy in manufacture had thus been achieved under protection, how possibly could it be the result of free foreign competition? How came it that an abundant harvest meant simply farming distress? The farmer was under no compulsion to take a farm, more than the public were to purchase his printed calicoes—for which we may take it for granted, he took as much as he could get, and was that not extorted from ‘the capital and labour of the com-

¹ Speaking at Manchester on the 19th October, 1843, Cobden said, ‘It seems that one of the effects of the agitation of the League is, that agriculture is to improve, and we are to have at least one-fourth more corn produced at home; we may have double.’ . . . At London, on the 18th June, 1845, he said, ‘They tell their tools, the papers, like grand-mama, to deal out, in their diurnal twaddle, the argument that, if the Corn Laws are abolished the farmers would be ruined, even if they paid no rent.’ But, says the Government Commissioners in the Blue-Book, now ‘It is no longer a question of rent, but simply an example of the cost of cultivation exceeding the value of the produce.’

munity?' But, as the following passage shows, these much vituperated landlords returned him good for evil.

'I have no reason to complain of the courtesy of the landlords, or the farmers, in any part where I have been ; that I have found men, noblemen and gentlemen, directly opposed to me and my views, who have yet not hesitated, on many occasions, to take the chair at our meetings, and to secure a fair hearing and fairplay for all parties.'—*Speech*, Manchester, 19th October, 1843.

Here is a curious passage, showing the low value he, in his wild fanaticism, attached to the home market. Yet it is fifteen times greater than the foreign, and, if we include our colonial export trade, ten times greater.

'I have heard it said that the agricultural classes are the greatest consumers of our goods, and that we had better look after our home trade. Now, what sort of consumers of manufactures do you think the agricultural labourers could be, with the wages they get? . . . But, I ask, what is this home consumption of manufactures? I have taken some pains to ascertain the amount laid out by agricultural labourers and their families for clothing. It may startle honourable members, when I tell them, that we have exported more goods to Brazil in one year than have been consumed in a year by the agricultural peasantry and their families. You know by the last census, that there are, in England and Wales, 960,000 agricultural labourers, and I can undertake to say, from inquiries I have made, that each of these men does not spend 30s., a year, in manufactures for his whole family, if the article of shoes be excepted. They do not spend £1,500,000, per annum, in the purchase of manufactured goods, clothing and bedding.'—*Speech*, House of Commons, 13th March, 1845.

In seeking to belittle the value of the home market, it was highly characteristic of Cobden—a master in the art of getting up a case to suit his purpose—to

select the consumption of the poorest class ; but why deprive them of their shoes ; in their case an important item : and where did he get his statistics ? Taking his usual estimate of five persons to a family, and bearing in mind the higher cost of manufactures in 1845, we are here asked to believe that the whole consumption of an agricultural labourer's family, of 'manufactured goods, clothing and bedding,' only amounted to 6s. per head per annum ! Such was the stuff he thought good enough for the House of Commons. With the view of showing, how little the farmers had to fear from total and immediate repeal, he quotes the following passage from *The Times* :—

'Count up every quarter of corn in every one of earth's richest granaries ; track all her winding shores, penetrate every creek and every stream ; measure every diluvial delta and every sheltered valley ; the natural fertility of the plains, and the artificial productiveness of the hills ; take the sum of all the warehouses, all the heaps, and all the standing crops, and we entertain no doubt whatever, that reasonable and candid men will be astonished above measure at the "universal nakedness of the land." The Baltic and the Euxine, the Gulf of Genoa, the St Lawrence, the Mississippi, and even the rivers that flow under our feet, are names of terror to some minds, as if they flowed with corn ; but rivers of corn are as pure and impossible a fiction as rivers of gold. Once you begin to investigate, to measure and to count, you find the most formidable accumulations dwindle into a few months', or a few weeks', sustenance for such living and growing multitudes as London, Manchester or Glasgow. There is not too much corn on earth, nor will there ever be, till the saddest and awfulest words, that ever were spoken, are finally unsaid, which they never will be in this mortal world.'

Cobden then goes on to say, 'But I like to go to experience ; I never like to deal in the future, or to argue on what will happen ; but let us take the lights of experience to guide us in our paths for the future. We have had occasions in this country,

when we have had as sudden a demand for corn all over the world for this country, as though we had a total and immediate repeal of the Corn Laws. In 1839, 1840 and 1841, during all those three years, the average price of corn in this country was 67s. We ransacked the world for corn, during those three years; our merchants sent everywhere for it; we swept over the face of the earth, bribing every nation to send their corn to this rich market, and gain this high price for their produce. I will give you a list of places, from which we received corn in one year during that period; from Russia, Sweden, Norway, Denmark, Prussia, Germany, Holland, Belgium, France, Portugal, Spain, Gibraltar, Italy, Malta, Ionian Islands, Turkey, Egypt, Tripoli, Tunis, Algiers, Morocco, Cape of Good Hope, Mauritius, East India Company's Territory, Australia, Canada, United States, Chili and Peru. Every region on the face of the globe—Europe, Asia, America, Africa, and even Australia, were ransacked for corn. How much do you think we got in the course of that year, bribing the nations of the earth with the high price of 67s. a quarter? In 1839 we received, in wheat and flour together, equivalent to 2,875,605 quarters, about one-eighth of the annual consumption of the wheat of this country. In 1840, when we had given them a year's stimulus, the imports were 2,432,765 quarters of corn. In 1841, 2,783,602 quarters. During these three years we imported 8,091,972 quarters, being an average each year of 2,700,000 quarters. Now, mark me, that corn was sent out for by our merchants, with a knowledge that the price in this country for corn was nearly 70s. a quarter, and was brought here with the belief, and under the conviction, that every quarter of it would be admitted into this country under a 1s. duty.¹ There was, therefore, during those three years virtually a total and immediate repeal of the Corn Laws; and you see the result in the supply for this market.'—*Speech*, London, 18th June, 1845.

The Government had been denounced on every platform for starving the people, by maintaining the Corn Law, and preventing the manufacturers from exchanging their products for the grain of foreign

¹ Cobden here falls into an error. In 1839-41, the duty when the price of wheat was 70s., was 10s. 8d., not 1s. per quarter.

countries, which exchange, when freed from duties, was to bring unheard-of prosperity. Now we are assured, that this long list of countries have not, and are wished to infer, never can have, more to sell to us than 2,700,000 quarters of wheat and flour, or, as stated in the quotation from *The Times*, which Cobden describes as the 'profoundest philosophy, presented in all the charms of poetic language,' 'but a few months', or a few weeks', sustenance for such living and growing multitudes as London, Manchester and Glasgow.' We have seen that our land was yielding the 22,000,000 quarters required for our consumption, and could with ease produce 25,000,000 to 27,000,000. Surely, then, if all this talk about starvation had any foundation—which it had not—we had the remedy at our own doors. If Cobden honestly believed what he and *The Times* here say, he stands convicted of carrying on a bitter and uncalled for agitation, for ends impossible of attainment—of needlessly striving to set class against class, whose interests, mutually depending on each other, like the members of the human body—no member of which can say to another, 'I have no need of thee'—were more likely to prosper, when working in harmony, than in that spirit of antagonism he so strenuously sought to promote. But whether sincere, or not, he is clearly on the horns of a dilemma. If, under Free Trade, we could not get more annually from abroad, than 2,700,000 quarters, about a half of which, we had in previous years been receiving, then his statement, 'That Free Trade would be the means of enabling

the people to have a double supply of food,' was false. In the very next page of his London speech, he says, after showing how limited was the quantity of wheat we could get from other countries, 'I believe Sir Robert Peel is frequently talking of a due consideration to the great and important interests that have grown up under this law. I plead for the vastly greater and important interests, that have been crushed to the earth under this law.'

'He knew of a place where a hundred wedding-rings had been pawned in a single week to provide bread; of another place where men and women subsisted on boiled nettles, and dug up the decayed carcase of a cow, rather than perish of hunger.'—*Speech*, House of Commons, 8th July, 1842.—*Life*, Vol. I. page 245.

He told us we had received, under 'a virtual suspension of the Corn Law,' every quarter of wheat foreign countries had to sell, and the House was asked to believe, that the distress here described was simply the result of that law; in other words, it prevented wheat, which was nowhere procurable, from coming to us! Cobden was just the man to be imposed upon, and no doubt often was so. If his description was correct, which we take leave to doubt, specially as regards the putrescent cow—it did not so much show that food was scarce, as that the money, wherewith to buy it, was wanting. And why was it wanting? simply because, there had been overtrading in those years on the part of the manufacturers, which, combined with three bad harvests, brought in its train diminished employment and lower wages,

Repeal when it came did not make matters better for the working classes. 1851 was a year of great distress. Wheat had fallen to 38s. 6d. per quarter. Everywhere, as shown by *The Times* of the 4th March, 1851, crime was on the increase, and on 27th October, 1851, it said :—‘ Manchester has begun to make loud complaints about the increase of poor, as she has now to maintain every week 1212 more families than in 1846 (only five years since), and at an increased weekly cost of £139, 10s.’ And the editor further remarks that, ‘ As Manchester has come off so decidedly the best in the late war of interests, and has feathered her nest so entirely at the expense of the community at large, any complaint she may make will meet with more derision than sympathy.

‘ Since the day when we laid down our arms, there has been imported into this country, of grain and flour of all kinds, an amount of human sustenance, equal to upwards of 50,000,000 quarters of grain—a larger quantity than had been imported from foreign countries during the thirty-one years preceding 1846. That is, from the peace of 1815, down to the time at which we brought our labours to a close. Now, gentlemen, in that one fact is comprised our case. You have had, at the lowest computation, 5,000,000 of your countrymen, or countrywomen, or children, subsisting on the corn that has been brought from foreign countries; and what does that say? What does it say of the comfort you have brought to the homes of these families? What does it say of the peace and prosperity and security of domestic life in these homes, where 50,000,000 quarters of grain extra have been introduced, and where, but for your exertions, the inmates might have been left, either in hopeless penury, or subsisting on potatoes?’—*Speech*, Manchester, 2d March, 1852.—See *Life*, Vol. II. page 113.

So the assurances, so confidently held out to the farmers by him and *The Times*, were already shown

to have been false, *and he boasts of it!* As Mr Morley styles this a '*salient fact*,' let us carefully examine it. We are at once struck by the implied assertion, that, but for repeal, there would have been no import, and further, that there had been no duties after 1846, when, as a question of fact, they did not cease till 1st February, 1849. There was, therefore, no sense, or fairness, in comparing the receipts of 1847 to 1851 with those of 1815-46; for his argument to have had any force, the comparison should have been between 1849-52 and a previous period, when corn was subject to duty. Porter does not give the imports of all kinds of grain, but only of wheat and flour, and as the 'statistical abstracts' do not go further back than 1840, we have not been able to get the figures for all kinds of grain prior to that year. Those from 1840-52, arranged in quadrennial periods, are, however, sufficient to knock the bottom out of Cobden's 'whole case.' The average annual imports of all kinds of grain were, in quarters, as follows:—

1841-44.	1845-48.	1849-52.
2,508,664.	5,290,421, inc. 111 per cent.	7,849,207, inc. 48½ per cent.

From these figures, it would be more justifiable to conclude, that repeal, so far from stimulating the import, had rather checked the increase. It was, moreover, not the case that since the League laid down its arms in 1846, we had imported of all kinds of grain 50,000,000 quarters. He was speaking on the 2d March, 1852. During the five years which had intervened, the imports, in quarters, were of all

kinds of grain, wheat and flour of wheat, barley, oats, maize, etc.,—

1847.	1848.	1849.	1850.	1851.
9,509,462.	6,093,618.	8,858,092.	7,552,852.	8,362,389 = 40,376,413.

The one fact which he said, ‘comprised their whole case,’ was thus not a fact, but a grossly false misrepresentation, only exceeded by the audacious assertion that, but for the exertions of the League, 5,000,000 of the people ‘might have been left, either in hopeless penury, or subsisting on potatoes.’

‘The noble lord the member for West Sussex (the Earl of March) spoke of the halcyon days of high-priced corn, and how well off the agricultural labourers were then. I have taken pains to inquire into the matter, and I deny that they were better off. Take one of those darling years, of which you are so fond—take the year 1847—and compare it with the present time. An agricultural labourer’s family, consisting of five persons, if they consumed as much bread as is allowed, per head, by the Poor Law Unions to out-of-door paupers, should consume ten 4-lb. loaves in the week. These ten loaves in 1847 cost 9d. a loaf, or 7s. 6d. for the whole; they cost now 6d., or 5s. for the whole; so that he pays 2s. 6d. less for his bread now than he did in 1847. The reduction of wages generally is about 1s. a week, so that, he is a gainer by 1s. 6d. But I will take the extreme case put by the honourable gentleman opposite, and assume that, wages have fallen 2s. a week, and even then it leaves a balance of 6d. in his favour.’—*Speech*, House of Commons, 8th March, 1849.

We have here a good example of Cobden’s cleverness in twisting and misrepresenting facts. He not only selects 1847, when, owing to the Irish famine—for which the Corn Law was as much responsible as the man in the moon—the loaf was dearer than it had been since 1819, but he selects the very month of

that year, when it reached the top price, instead of taking the average of the twelve months, $8\frac{1}{2}$ d. In the same way, he takes the lowest price of 1849 at 6d., when the average price was $6\frac{1}{4}$ d., which reduces the difference, after deducting the 1s. decline in wages, to $10\frac{1}{2}$ d.; and, if we take the fall in wages at 2s., he was positively worse off in 1849 than he was in 1847. But we were told the rate of wages *always* rose, when bread fell. Now, he tells us, bread has fallen from 9d. to 6d., and wages at same time have gone down 1s. to 2s. And why? Because under the baleful influence of the Free Trade principle, agriculture had already received its first check, and consequently, there being less demand for labour, wages had fallen. *Home labour was now to be displaced by foreign labour done abroad.*

‘Well, I will tell you what my thoughts were, as I sat at home, patiently reading these debates. As I read speech after speech, and saw the fallacies, which I had knocked on the head seven years ago, re-appearing afresh, my thought was, what fun these debates will afford to the men in fustian jackets. All these fallacies are perfectly transparent to these men, and they would laugh at you for putting them forward. Dependence on foreigners! Who in the world could have supposed that that long-buried ghost would come again to light? Drain of gold! Wages rising and falling with the price of bread! Throwing land out of cultivation, and bringing corn here at 25s. a quarter.’ —*Speech*, House of Commons, 27th February, 1846.

On a former occasion he told the House ‘they had never heard him quote the superior judgment of the working classes,’ that they had never heard him ‘cant about the superior claims of the working classes to arbitrate on this great question.’ Now he tells his oppon-

ents in the House, that the knowledge of even the men in fustian jackets, is vastly superior to theirs! These ghosts, so long concealed from view by the adventitious aids, which intervened after the introduction of the Free Trade principle, to largely increase our commerce, have now, when those aids have spent themselves, or been adopted by others, come forth in the full light of day as dread realities, not one of them wanting, living proofs of the fatuous policy begun in 1846.

‘But if we are not the cause of the farmers’ distress, who is the cause of it? Let us go back to the time when farmers were generally doing well. Between the years 1785 and 1790, the farmers had a quiet, steady trade; there were no complaints then. Why were there now? Why did not the farmers get the profits now which they got between the American and the French Revolution? In 1790, the price of iron and the implements of husbandry was double what it is now; clothing of every kind was nearly double; cotton articles were four or five times their present price; salt was double the price at which it is now selling. Tea, sugar, coffee, soap, fuel, were dearer then than now. Spices, preserved fruits, and all the moderate luxuries of life, were then dearer than at present. But on the other hand, butcher meat, bacon, butter, cheese, poultry and eggs, bring higher prices now than then. So that all the articles in which the farmer dealt, sold as cheap, or cheaper than at present; while, with the single exception of beer, which we, the free traders, are anxious to put on the same footing, there is no article of domestic use, or implement, employed in his business, which the farmer cannot buy cheaper now than in 1790. The price of labour in the purely agricultural districts has not changed more than one or two shillings a week, and taking its productiveness into account, it is far cheaper now, than in 1790. Why then does the farmer complain now? There is one little item you all forget, but which I do not forget, and that is simply the rent of land, which, in any case, is double, and in some places treble, what it was in 1790. I say

without hesitation, or fear of contradiction, that the rent of agricultural land in England is now double what it was in 1790, and in many cases treble.'—*Speech*, House of Commons, 8th March, 1849.

The Corn Laws expired on the 1st February, 1849. The fear that heavy foreign supplies would be thrown on the market depressed prices, which fell from 45s. 5d. in January to 39s. 3d. in December. This did not augur well for the great prosperity Free Trade in corn was to bring to agriculture, especially, as the very positive assurances he had given that, the import would not exceed 2,700,000 quarters, 'if we ransacked the world,' were already being falsified, the import of 1849 having been 5,634,344 quarters. Little wonder then, that there was alarm and distress among the farmers. *There was no longer the Corn Law, which could be held responsible, but there was rent, and on it he fastens, in order to withdraw attention from himself and his delusive promises.* Not a word about the vast sums spent on draining and other improvements, which had led to such a great increase in the produce of the soil; no, the landlords were to do all this, and get no return for such heavy outlays! We do not find, that there was in those days, any agitation against rents; still less, that this self-constituted champion of the farmers, had any mandate to interfere in their affairs.¹ In the end of last century, when

¹ In a pamphlet by Mr Harrison, published in December 1851, we find it stated, that Col. Thompson, a prominent agitator for repeal of the Corn Laws, when he saw the time for their abolition drawing near, refused to let any of his farms on lease, as he said *he fully expected higher rents when these laws were abolished.* Yet he was one of those who did not scruple to abuse landlords for extorting high rents!

Cobden says agriculture was in such a flourishing condition, not only was draining then unheard of, but other methods of culture, which, later on, worked so great a change that, the land had come 'to yield double its former produce,' had not then come into use. Having regard to the average price of wheat, during the 'halcyon days' of 1785-90, 47s. 9d., and the cost of production then, we are justified in accepting, with a good deal of reserve, Cobden's account of the state of farming in those years. To expect that rents should not have advanced, was about as reasonable as to expect, that a cotton mill, on which, costly improvements had been made by the landlord, in the middle of the present century, should not let for more than it did, at the end of the last, when, if the truth were known, it would be found, its rent had a good deal more than doubled.

'The landlord, as Mr Disraeli very properly remarked yesterday at Great Marlow, is an individual, who has land, which is a raw material, and nothing more to dispose of; and the farmer is a capitalist, who offers to take the raw material, in order that he may work it up and make a profit by it; in fact, the farmer and the landlord stand in precisely the same position, that the cotton spinner and the cotton merchant stand in. The cotton spinner buys his cotton wool from the cotton merchant, in order that he may spin it up at a profit. If, he can get his raw material cheap, he can make a profit; and, if not, he cannot. But we never hear of the cotton spinner and the merchant going together to Parliament for a law to keep up the price of cotton.'—*Speech*, Aylesbury, 9th January, 1850.

We have seen what a gross calumny it was to assert, that the Corn Law was imposed for the purpose of keeping up rents, the great object having

been, to foster agriculture, in order to make us independent of foreign countries. There was this difference between the raw material cotton, and the raw material land. The former is not produced in this country, and, as stated by Sir Robert Peel, the cotton spinner had not only clamoured for protection, but had been, especially in the earlier part of the century, highly protected—what the Government had been asked to do in the one case, it had been asked to do in the other ; but when did we ever hear of a cotton spinner, when he found he could not make a profit out of a cotton contract, having his woes paraded before Parliament and the cotton merchants denounced as a ‘rapacious and extortionate’ class. The landlord and cotton merchant had, each in his own sphere, accepted a price freely offered for his raw material. If there are several farmers competing for a farm, the rent will rise. So will the price of cotton, when there is an active demand for it. Was the cotton merchant, when he took the highest price offered, guilty of rapacity and extortion, or was he in the habit of refusing it because it was too high? If not, why should there be one economic law for the raw material land, and another for the raw material cotton?

Cobden’s opinions and treatment of Sir Robert Peel, before and after the latter’s conversion, are in amusing contrast. When in 1845 Miss Martineau, George Combe and others, reproved him for the abuse he was heaping on Sir Robert Peel, he replied,—

‘You must not judge me by what I say at these tumultuous

public gatherings. I constantly regret the necessity of violating good taste and kind feeling in my public harangues. I say, advisedly, *necessity*, for I defy anybody to keep the ear of the public for seven years upon any question, without studying to amuse as well as instruct. People do not attend public meetings to be taught, but to be excited, flattered and pleased. If they were simply lectured, they might sit out the lecture for once, but they will not come again; and as I have required them again and again, I have been obliged to amuse them, not by standing on my head, or eating fire, but by kindred feats of jugglery, such as appeal to their self-esteem, their combativeness, or their humour. You know how easily, in touching these feelings, one degenerates into flattery, vindictiveness and grossness.'—*Life*, Vol. I. page 207.

Here is a melancholy confession. The cause was not to be won by appeals to the reason, love of truth and justice of the people, but by abuse of their rulers and the landlords; by tickling, flattering and performing 'kindred feats of jugglery, such as appeal to their self-esteem, their combativeness, or their humour.' An ignorant mob came, not to be taught, but to be 'excited, flattered and pleased.' It was a new system, inaugurated by Richard Cobden, but too often imitated at the present day, and fraught with dire mischief to his country.

In 1843, Mr Drummond, Peel's private secretary, was shot in Parliament Street, and from something said by his assassin, the belief got abroad that he had mistaken Mr Drummond for Sir Robert Peel, whose sensitive nature was deeply moved. On the 7th February, Cobden made one of his violent attacks on him in the House. He told him, 'It is the duty of every honest and independent member to hold him individually responsible for the present

position of the country,' and that it 'ill becomes him to throw that responsibility on any one on his side.' This naturally created a scene. Peel who had the House entirely with him, indignantly repudiated any such responsibility, and in an admirable speech, contrasted the conduct of the agitators, with that of Soult and Wellington.

'Men, who have seen the morning sun rise upon living masses of fiery warriors, so many of whom, were to be laid in the grave before the sun should set,' and 'anonymous and irresponsible writers in the public journals, who are doing all they can to exasperate the differences that have prevailed; and whose efforts were not directed by zeal for the national honour, but employed, for the base purposes, of encouraging national animosity, or promoting personal or party interests.'

Cobden denied that, he had said, he held the Prime Minister responsible, which elicited loud cries of 'Yes, yes,' 'You did,' 'You did,' on which he tried to wriggle out of it by saying, he 'held the right hon. gentleman responsible by virtue of his office.' (*Life*, Vol. I. page 259.) Writing to his brother, in reference to this scene, he says,—

'It has been the talk of everyone here, from the young lady on the throne, down to the back parlour visitors of every pot-house in the metropolis, and the result, seems to be, a pretty general notion, that Peel has made a great fool of himself, if not something worse. He is obliged now to assume that, he was in earnest, for no man likes to confess himself a hypocrite, and to put up with the ridicule of his own party in private as a coward. . . . He is looking twenty per cent. worse since I came into the House, and if I had only Bright with me, we would worry him out of office before the close of the session.—*Life*, Vol. I. page 264.

At the very time, February 17, 1843, wheat was sell-

ing at 47s. 11d., and during the six preceding months the price had averaged only 51s. 2d. This attack was, therefore, wholly unjust and uncalled for. It may however be noted, that Cobden's outbursts were always most bitter, when wheat was at a low price. This did not suit the agitators,—what did suit them, was a series of bad harvests, like 1839-41, and above all, the failure of the potato crop in 1846-7, which could not have occurred at a more favourable time for the League. Coming shortly before a period of great prosperity, it induced a belief in the public mind, that, as Cobden ever afterwards boasted, that prosperity was directly the result of the abolition of the Corn Laws.

‘Now, I see many attempts made to shirk that responsibility, and sometimes in a very shabby manner, by trying to make it appear that we, who cry out against this responsibility, mean to do him (Peel) some personal violence. Was ever such a school-boy trick as that resorted to by a man in his position.’—*Speech*, Birmingham, 13th November, 1845. ‘I have no reason, and I think you will admit it, to feel any great respect for Sir Robert Peel; he is the only man in the House of Commons that I can never speak a word to in private, without forfeiting my own respect, and the respect of all those men who sit around me.’—*Speech*, London, 17th December, 1845.

Sir Robert Peel appears to have been in perfect health, when on the 28th June 1850, he made his last speech in the House of Commons. The following day he attended a meeting of the commissioners of the proposed Great Exhibition of 1851. In the afternoon he went for his accustomed ride on horseback, and was proceeding along Constitution Hill, when his horse becoming restive, he was thrown, and so seriously injured that, after lingering for three days in great

agony, he expired on the 2d July. Writing to his wife on the 4th July, Cobden remarks,—

‘You will have seen the sad news of Sir Robert Peel’s death. I have not been able to think of anything else since. Poor soul, his health had been sacrificed by his sufferings in the cause of Free Trade, and he may be said to have died a victim to the best act of his political life. I should not like to be in the position of those, who, by their unsparing hostility, inflicted martyrdom upon him.’—*Life*, Vol. II. page 81.

These are remarkable words, to have been written by the man, who, for six long years, had without ceasing, heaped abuse on Peel, and done more to embarrass and render his life miserable than any member of the House ; who had boasted of making him look ‘twenty per cent. worse since he (Cobden) came into the House, and that if he only had Bright with him, they could worry him out of office.’ Struck down by what was simply an accident, for Cobden to ascribe Peel’s death to ‘the unsparing hostility’ of political opponents, who felt he had betrayed them, and to accuse them, of having inflicted martyrdom upon them, was an accusation so ludicrously absurd, it goes a long way to show, what little importance should be attached to the charges he so, unwarrantably, brought against the landlords.

The following are two specimens of the high-flown prophetic rhapsodies, to which he, now and again, treated the gaping crowds, who flocked to hear him :—

‘Free Trade ! what is it ? Why, breaking down the barriers which separate nations ; those barriers, behind which, nestle the feelings of pride, revenge, hatred and jealousy, which every now and then, burst their bounds and deluge whole countries with blood ; those feelings which nourish the poison of war and

conquest, which assert that, without conquest we can have no trade, which foster that lust of conquest and dominion ; which sends forth your warrior chiefs, to scatter devastation through other lands, and then call them back that, they may be enthroned securely in your passions, but only to harass and oppress you at home. It is because I think I have a full apprehension of the moral bearing of this question that, I take a pride and gratification in forming one in the present agitation ; and I invite you all to take a part in it, for, there is room and glory and fame enough for all, as soon as we have achieved the great triumph of the downfall of the Corn Laws.’—*Speech*, London, 8th September, 1843.

‘I have been accused of looking too much to material interests. Nevertheless, I can say that, I have taken as large and great a view of the effects of this mighty principle, as ever did any man, who dreamt over it in his own study. I believe that, the physical gain will be the smallest gain to humanity from the success of this principle. I look farther ; I see in the Free Trade principle that which shall act on the moral world, as the principle of gravitation in the universe, drawing men together, thrusting aside the antagonism of race, and creed, and language, and uniting us in the bonds of eternal peace. I have looked even farther. I have speculated, and probably dreamt, in the dim future,—ay, a thousand years hence. I have speculated on what the effect of the triumph of this principle may be. I believe that, the effect will be to change the face of the world, so as to introduce a system of government, entirely distinct from that which now prevails. I believe that, the desire and the motive for large and mighty empires, for gigantic armies and great navies, for those materials which are used for the destruction of life and the desolation of the rewards of labour, will die away. I believe that such things will cease to be necessary, or to be used, when man becomes one family, and freely exchanges the fruits of his labour with his brother man. I believe that, if we could be allowed to re-appear on this sublunary scene, we should see, at a far distant period, the governing system of this world revert to something like the municipal system ; and I believe that, the speculative philosopher of a thousand years hence, will date the greatest revolution that, ever happened in the world’s history, from the triumph of the principle, which we have met here to advocate. I believe these things ; but what-

ever may have been my dreams and speculations, I have never obtruded them upon others ; I have never acted upon personal or interested motives in this question ; I seek no alliance with parties, or favour from parties, and I will take none ; but having the feeling I have of the sacredness of the principle, I say that I can never agree to tamper with it. I, at least, will never be suspected of doing otherwise than pursuing it disinterestedly, honestly and resolutely.'—*Speech*, Manchester, 15th January, 1846.

The universal millenium here portrayed in such magniloquent words, was to change the face of the world—even man's whole nature. Henceforth the lion was to lie down with the lamb, and all were to be 'united in the bonds of eternal peace.' No longer would there be the desire 'for large and mighty empires, for gigantic armies and great navies.' Henceforth peace, prosperity and goodwill were to reign among the nations of the world. In short, what Christianity had failed to achieve, was now to be effected by the Free Trade principle ! In future the one absorbing idea of man, was to be the getting rich, by a free exchange of commodities. Enmity, hate, and all uncharitableness were to be for ever buried, and with them—for they would no longer be required—all national honour and patriotism. It was but the dream of a fanatic, inflated with colossal vanity. Well nigh half a century has gone, and what do we see ? The nations of the world armed to the teeth—gigantic armies and great navies, ready to engage in deadly conflict—hatred between classes, from the seed he sowed, and instead of abiding prosperity, abiding trade depression ; agriculture on the verge of ruin, and great numbers of the working classes without the

means of earning their livelihood; the world girt round by an almost impassable tariff wall, and many of the richest and most enterprising of our manufacturers, in order to escape from this 'sacred and mighty principle,' fleeing for protection to a foreign land; while those, who remain, have to encounter the fierce competition of the foreign producer, who, it was vainly imagined, by the opening of our ports, would be enticed to abandon manufacture, and, in lieu thereof, content himself with growing grain for the English market.

He seems to have entertained no doubt of his mission, to teach his country a new system of political economy, having the Divine sanction, for writing to his brother, he says,—

'I have been better this winter than ever, having escaped my usual fit of inflammation in my eyes. I think there is a special Providence watching over the Leaguers.'—*Life*, Vol. I. p. 287.

Such were the arguments, if arguments they can be called, advanced by the man who was deemed qualified to set up and expound a new fiscal policy, which now excites the amazement and derision of the outside world,—even of those experts in our own midst, 'the men in fustian jackets,'—who has been accepted as its apostle by a school, which has adopted as its motto, 'Free Trade — Peace — Goodwill among Nations.' The passages, we have quoted, embrace the whole free trade case, as set forth by Cobden. They show that repeal was carried by an audacious perversion of facts, and by the belief, he succeeded in inducing in the minds of his countrymen, that a free trade in corn

would make not only our commerce, but our 'agriculture unrivalled in the world,' and that, instead of, as we had had in the past, cycles of prosperity, succeeded by cycles of adversity, we should in future have 'abiding prosperity.' In fact, as Mr Morley says, men looked upon him as one who had 'found out a momentous secret.' His whole case rests, as the reader will have seen, and as cannot be too often repeated, on the one great fallacy, that the duty is in all cases paid by the consumer, which he treats as an axiom beyond the pale of discussion, but which is daily negatived by the facts of trade, and by the experience of every exporter.

CHAPTER V.

THE CONSUMER AND THE DUTY.

Great Importance of the Question—Two Distinct Classes of Imports—*1st Class*. Imports we cannot Produce, on which alone we levy Duties—Amount of Customs Duties levied by Foreign Countries—On what Economic Principle is our System based? —Enormous Amount of Duties paid by Consumers on this Class of Duties—*2d Class*. Imports we can Internally Produce, not Paid by the Consumer—To Produce Cheaply we must Produce Largely—Our System limits Production—The Law of Surplus—The Question one of Fact and not of Theory—Facts proving, that on this Class of Imports, the Consumer does not Pay the Duty—Who is the Consumer?

THE question as to the incidence of the duty, lies so directly at the root of the whole Free Trade controversy, it is essential we should carefully examine it, especially as it has—in these days of over-production, and the enormous decrease in the cost of transport, which have reduced profits to a minimum—attained, as regards the industries and general welfare of the country, an importance it would be difficult to over-estimate. In fact, it may at the present day, be said, to embrace within itself, the whole case between so-called Free Trade and protection.

It will be accepted as an incontrovertible axiom,

that the price of an article is alone fixed by supply and demand, and, consequently, that the imposition of a duty, unless it cause a diminution in the foreign supply, can have no effect on market value. Further that, should there be a decrease, and the deficit be met by an increase in home production, leaving the supply as before, prices will not be affected. On the other hand, should, as frequently happens, the increase in home production, be in excess of the falling off in the foreign supply, by as much as it is so, will prices rule lower, than they did, before the imposition of the duty.

It must be carefully borne in mind, that there are two distinct classes of imports :—(1) Those we cannot produce, and which do not, therefore, compete with British products. (2) Those which can be internally produced, and, therefore, come directly into competition with the like products of a foreign country.

1st Class.—It may be conceded that, on this class of imports the consumer pays the whole of the duty. Still, there being no hard or fast line, by which a duty, any more, than any other element of cost, is bound to be paid by the consumer, there may be cases, in which a portion of it, may not fall to be paid by him. Should the duty be raised, and an attempt be made to enhance prices, consumption would probably be checked, when the importer, rather than lose the market for the quantity he had previously sent, might be content with a smaller profit, and would thus pay some portion of the duty. Let us suppose that the duty on tea is raised from 4d. to 5d. per lb.; the

Indian merchant, who knows that the price will not be governed by the addition to the rate, but only by the supply in the English markets, and that he will in the first instance, have to pay the duty, at once reduces his offer to the tea planters, which, as they cannot hold, but must sell, to meet the next season's outlay, they are forced to accept. Unless, therefore, the addition to the duty sweeps away all their profit, they will produce as much as they did before, for diminished production means increased cost of each lb. of tea. A curtailment of supply, from shipments being diverted to other markets, might occur, and to the extent, the home market was thereby affected, the consumer would pay, and no more. The difference between that advance in price, and the added duty, clearly falls to be paid by the Indian producer. As a rule, however, the whole of the duty on this class of imports is paid by the consumer, and as if it were the intention of our rulers, he should be mulcted to the uttermost, it is on this class alone that we levy customs duties. In the year ending 31st March, 1893, these were as follow:—

	Value.	Duties Paid.	Per Cent.
Tobacco,	£3,538,444	£10,124,435	286
Tea,	10,047,354	3,399,375	34
Coffee,	3,935,759	173,858	4½
Currants, Raisins and Dried Fruits,	3,231,977	345,464	10½
Spirits,	2,311,175	4,091,524	178
Wines,	6,019,559	1,268,491	21
Sundries,		216,144	...
	<u>£29,084,268</u>	<u>£19,619,291</u>	<u>= 67½</u>

Here we are confronted with the curious anomaly,

that a country, which boasts of its Free Trade system, actually levies more from customs duties than any nation in Europe. The total receipts, therefrom, of the chief countries, having been in 1891 (the latest year for which we have returns)—

France,	£15,744,000	Italy,	£8,483,000
German Empire, .	19,471,000	Spain,	3,930,000
Russia,	12,577,000	Austria,	3,531,000

Not only so, but we now from this source alone derive almost as large a revenue, as we did under protection in the middle of the century.¹ Yet we consistently, to their great amusement, lecture foreign countries on the folly of their fiscal laws! On what economic principle is this system based? Strip the question of all the high-sounding platitudes of the Cobden School, and what do we find, to be the sole difference, between our fiscal policy, and that of other countries? Simply this—we levy duties on what we *cannot* produce—they on what they *can* produce—their theory being, ‘*that the proper subjects of importation into a well ordered country, are not those articles its people can supply for themselves, but what they cannot supply, and that goods of this character should be brought to the consumer at the lowest possible price.*’ This also seems to have been Adam Smith’s view.

¹ Imperial taxation is now raised, as compared with 1840, as follows:—

	1840.		1892.
Net Revenue from customs, .	£23,000,000		£19,500,000
Net Revenue from other sources,	24,000,000		70,500,000
	<u>£47,000,000</u>	per head.	<u>£90,000,000</u>
	= £1/15/6		= £2/6/10

‘The whole value of a commodity is spent in its production. There is an expenditure not of the profit merely, but of the entire value, and the whole of that expenditure not only maintains landlords, tenants, tradesmen and work-people, but furnishes an effective demand and market for other productions; so that the clear gain, the spendable revenue, the net income of the producing nation, is increased by the amount of the entire value of the domestic product, and the nation is so much the richer. For, while producing it spends, and nevertheless after it has produced, it yet has the entire gross value.’
—*Wealth of Nations*.

We regard it as a violation of sound economic laws, to levy a duty on silk manufactures from France, but quite in accordance therewith, to levy 4d. per lb. on tea, five-sixths of the import of which now comes from our own subjects in India and Ceylon! One wonders, what Adam Smith would have had to say, to such an astounding dictum. We are told this is for revenue purposes, but this, manifestly is no explanation, for revenue could as well be raised on imports we can ourselves produce. Again it is said, because tobacco, tea, coffee and dried fruits are luxuries—but are not silk manufactures, in a far higher sense luxuries, than the working man’s tea and tobacco? On these four items alone, our people have paid between 1850 and 1892, customs duties as follow:—

Tobacco,	£310,648,390
Tea,	188,691,672
Coffee,	14,302,938
Dried Fruits,	10,846,063
	£524,489,063

the greater part of which, had the duties been levied on articles of domestic produce, as will be seen,

when we come to deal with the second class of imports, would have been saved by them, to say nothing of the gross injustice, of making those, who consume these articles, bear such a load of taxation, from which those, who abstain from their use, wholly escape.¹ If in addition to this large sum, we add the vast amounts, levied by foreign countries, on the goods we send them, and the still greater sums, we annually send abroad for agricultural produce and manufactures, not less than £180,000,000, a half of which, at least, under a wiser fiscal system, we should with ease produce at home, little room is left for wonder, that the United States and other countries, which have made us pay so dearly for the privilege of selling in their markets, should have forged ahead as they have done. But we are told, that to levy duties on such goods, as can be internally produced, would be protection, and why not? The main duty of a government is the protection of the people; but in the creed of the modern free traders, the protection of the countries

¹ It is curious to observe how a people, who, without a murmur have paid these £524,489,063 of duties, are seized with almost a cold shiver, at even the bare mention of duties on corn, which, during the thirty-four years of their existence, did not, as we have seen, amount to £10,000,000, or £292,000 per annum, little more than half of the revenue, we now derive from dried fruits alone. Ah! but did we levy it on corn, it would go into the pocket of the landlord, and that, in spite of all Adam Smith's and M'Culloch's teachings, as to what the nation loses by not producing what it can at home, must at all costs be prevented. No, far better it should go into the pocket of the foreign producer, who will spend it in his own country! Can absurdity go further?

A working man consumes on the average, annually, 6 lbs. of tobacco and 12 lbs. of tea, on which he pays £1, 5s. of duty, or more than the *value* of the wheat consumed annually per head (see Table, p. 172).

industries, is not only no part of its duty, but would be something almost criminal. They fail to see that, so long as our producers have to pay 12 per cent. of taxes, on all they produce, taxes, which the foreigner, who is further protected by his cheaper labour, wholly escapes, while he levies heavy duties on the goods we send him, our system is simply one which protects the foreign, at the expense of the home producer. It is said, the foreigner is taxed in his own country on the commodities he sends us. Even if he were, he is only taxed about a half. He has no income-tax to pay, and as he only sends us his surplus stocks, he is not, as a rule, taxed on these at all. If this is not protection in its most obnoxious form, we should like the free trader to tell us what it is. We have sacrificed everything to cheapening in the supposed interest of the consumer, in which we have attained but little success, for nowhere on the Continent of Europe is the cost of living, even to the working man, as high as it is in this country.

2d Class.—As regards this class of imports, the case is widely different, more particularly in recent years, when production has run so much ahead of consumption, for, foreigners only send us their surplus stocks, which must be sold for what they will bring. Here, the action of the duty is regulated, by the internal competition the foreign import has to encounter. If it can be shown that the consumer does not pay the whole of the duty, and often no part of it, while not unfrequently, its action has been to lower the price to him, to an extent, which, but for the stimulus it im-

parted to home production, would, under a free import system, have been impossible, it inevitably follows that, by as much as our exporters have to pay for being allowed to compete in a foreign market, is the revenue of that country enriched at their expense, and its people relieved of local taxation. On the other hand, by admitting the products of that country free, our revenue loses the duty, and the importer of foreign goods, having henceforth no duty to pay, is able to increase his orders, which raises the price abroad, and by as much as it does so, the foreign producer gains at the expense of our consumer. Further, these foreign imports displace so much home production, which arrests the fall in price, and thus enables the foreigner to retain another portion of the duty repealed. Revenue must be raised somehow, and in lieu of the duty, of which the consumer is told he has been relieved, some other form of taxing him has to be found, *vide* the imposition of the income-tax on the abolition of the Corn Laws, and the reduction of duties on manufactures. *The duty abolished thus comes in another form to be wholly paid by our own people.*

Take the case of the 'cheap loaf,' which has been paraded on every platform, as such an inestimable boon to the working classes. (1) The land here is heavily taxed. (2) The goods we export, to be exchanged for foreign corn, have to pay 12 per cent. of taxes. (3) These again, on reaching a foreign port, are subject to heavy duties, before we receive the proceeds in the wheat of America, where the land is taxed but 6d. an acre, against 12s. to 14s. an

acre in this country. Need we feel surprise that foreigners, when they read the homilies we address to them on the evils of protection, laugh at us, who pay the duties they impose. Prices in protectionist countries are regulated by the domestic supply, in our markets by the foreign supply—hence the stability of the one, on which Cobden laid so much stress, and instability of the other ; and hence it arises, that on the goods we export, the duty falls to be paid by our producers, and not by the foreign consumer. These goods do not realise a natural price, but only that price, less the duty.

It will be universally admitted, even by our opponents, that to produce cheaply, it is an essential condition that we should be able to produce largely, and that the quantity we turn out, will be measured by our ability to find markets. Under our system, the foreigner has not only his home market, in which he takes care we shall not compete with him, but he has the free run of ours. This enables him to increase his production at a proportionately lower cost—conversely, that of our producers is increased. We shall suppose, for instance, that up to a certain date, British manufacturers of bicycles have turned out yearly 3000 ; that they disposed of 2000 of these in the home market, and sold the remaining 1000 in Germany. The latter, seeing no reason why she should not manufacture bicycles at home, imposes a duty of 25 per cent. After a time the German manufacturers, protected by the duty, are not only able, without raising the price to their consumers, to produce all

the bicycles they require. But having our market open to them, they manufacture to supply it. Our manufacturers, no longer able to send their 1000 bicycles to Germany, and having to encounter the latter's opposition in their own market, are forced to reduce production, and are, consequently, no longer able to manufacture as cheaply as before.

The importer of these foreign surplus stocks does not require that they should be sold at a profit. It is of enormous advantage to him, in a large market like ours, to be able to get rid of them, even at a loss. It prevents a glut in his own, and prices there, from being unduly depressed. But just as our system is of incalculable advantage to him, so is it ruinous to our producer; his goods have to be sold at abnormally low prices; capital is scared; our manufacturing capitalists driven to set up their works in a foreign land; and home production—the source of all industrial wealth—diminished.¹ It is no answer to say that our people have other markets, for not only are these more or less protected, but there also they have to encounter German competition. Still less, for them to be told, that they can reduce their establishment, and take smaller premises, for, that involves dismissal of workmen, who are thrown out of employment—a lowering of the wages of those who remain—a loss of net income, not only to them, but all with whom the employees and they have hitherto

¹ Mr A. Carnegie stated in a letter to *The Times*, that when in Aberdeen, he found 'shiploads of granite from the United States were being brought there, cheaper than it could be taken from the home quarries!'

dealt, and, as the Consular reports now so often show, a deterioration in the quality of work, entailed by the folly—at no matter what cost to the nation generally—of cheapening everything to the uttermost. Cheap work means bad work. That there has been, generally, a lowering of that standard of excellence in workmanship, for which this country has hitherto been celebrated, was shown by the evidence taken by the Royal Commission on the Depression of Trade.

‘There is also evidence that, in respect of certain classes of products, the reputation of our workmanship does not stand so high as it formerly did. The intensity of the competition for markets, while in many respects it has legitimately diminished the cost of production, has also tended to encourage the manufacture of low-priced goods of inferior quality, which have not only failed to give satisfaction themselves, but have also affected the reputation of other classes of goods, to which no such exception could be taken.’—‘Final Report of Royal Commission,’ page 22.

To give another illustration of the working of this ‘law of surplus.’ Suppose the right conceded to Birmingham and Sheffield, of imposing, as against each other, a duty of 25 per cent., that Birmingham imposes the duty, and that Sheffield elects not to do so. Birmingham, safe from the competition of Sheffield wares, would manufacture, not only what her own people required, but having the Sheffield market open to her as well, she would manufacture to supply it. Birmingham would thus have her cost of production decreased, while that of Sheffield would be increased. How long would Sheffield trade prosper, or even, other things being equal, be able

under such conditions to exist? In these days, when merchants and manufacturers no longer look for the high rates of profit of the past, but to a large turnover, a few per cent., making all the difference between a profit and a loss, does it ever occur to the free trader to consider, what this feature of our fiscal policy means? And, let it be carefully noted that it is only since foreign countries, by studiously fostering their industries, have had surplus stocks to dispose of, that this serious, and yearly increasing danger to our industries, has appeared—an outcome of one-sided free trade, little foreseen by its authors.¹ We do not find foreigners, addressing homilies to us on the folly of our fiscal laws. Fully alive, to the enormous advantages they derive, from having our markets open to them, they silently pursue the even tenor of their way, laughing in their sleeves at the nation, which is committing suicide for their benefit.

The question of the consumer and the duty is eminently one of fact, and not of theory. Let us now see what is the experience of those engaged in the practical work of commerce, by which alone it can be decided, when we shall find that, while our opponents have not a shred of evidence to adduce in support of their contention, that on the side of protection is simply overwhelming.

In a previous chapter we stated that the people did not pay the corn duties, and that, if there had been

¹ Lord Penzance says,—“Protection” is the regulation of import duties in such a manner as to secure as much employment, as possible, for the people, by inducing them to lay out their money in buying the produce of their countrymen’s labour in preference to that of foreigners.’

no Corn Laws, wheat would have been dearer than it was. It will scarcely be denied, that the great and steadily increasing decline in the home production of wheat—from 22,000,000 to 6,500,000 quarters—has been caused by the withdrawal of protection, under which it rose from 14,000,000 in 1815, to 22,000,000 in 1842. As shown by Cobden, 2,700,000 quarters being all we could annually obtain, if we ‘ransacked the world,’ about a half of which we had previously been receiving, there were no large foreign surplus stocks on which we could draw. Had then our farmers, under the dread of competition from abroad, produced yearly, say, only 3,000,000 quarters less than they did, the supply of food, available for consumption, would have been less, and its price consequently higher.¹ This statement will create surprise—yet it is fully borne out by a reference to the prices ruling before and after repeal, especially those of the last eight years of the Corn Bill of 1828. *If the duties were paid by the people, it incontestably follows, that had they not existed, the prices of wheat would have been less by the amount of the duty, or as follows:*²—

¹ Mr Wilson of *The Economist*, M.P. for Westbury, said at the time the Corn Laws were repealed, ‘Our belief is, that if we had had Free Trade in corn since 1815, the average price of wheat for the whole period would have been higher than it has been; and that, if for the next twenty years, the whole protective system be abandoned, the price of wheat will be higher than it has been for the last seven years, viz., 52s. 2d., or that it would be with a continuance of the present system.’ ‘It never,’ he added, ‘can be advantageous for the community at large, that they should consume the produce of any one party below the cost of production.’

² Referring to the reduced tariff of 1842, Cobden said on 12th March,

Years.		Prices.	Duty, under sliding scale.	Less Duty.
1834	. . .	46/2	34/8	11/6
1835	. . .	39/4	34/8	4/8
1836	. . .	48/6	34/8	13/10
1837	. . .	55/10	31/8	24/2
1838	. . .	64/7	22/8	41/11
1839	. . .	70/8	10/8	60/-
1840	. . .	66/4	20/8	45/8
1841	. . .	64/4	22/8	41/8

Even if we include the three years of distress, 1839-41, we find that, after deducting the duty, the average is only 30s. 5d.; if we exclude these three years, only 19s. 2d., and if we take only the year 1835, 4s. 8d.! against 52s. 3d., the average marked price during the thirty years, 1850-79, when wheat was no longer subject to duty! How can it here be asserted, that the corn duties were paid by the consumer?¹ Yet, notwithstanding these figures, John Bright had the effrontery to assert that—

‘If there had been a Corn Law now, you would not have been able to get a loaf of bread at four times the present price,’ or 2s., a price it never reached, even in 1812, when wheat was selling at 126s. a quarter, and the Corn Laws had not come into existence.

Carried to its logical conclusion, the contention amounts to this. *No matter how large your home*

1844. ‘The point, therefore, which I wish to make known, is, that the tariff has not caused any reduction in prices.’

¹ Mr Morley in his *Life of Cobden*, says (page 116, Vol. I.), ‘the Corn Laws did more to degrade and pauperise the labouring classes, by doubling the price of food and limiting employment, than any other evil of which they had to complain!’ When the author pointed out to him the grotesque absurdity of this assertion, he could only reply, that he was ‘unable from press of business to discuss the important subject that you raise.’ Protected America has 1 pauper to 644 of population. Unprotected Britain, 1 to 39.

production, and no matter how small the foreign import, if you impose a duty on the latter, you raise the market price all round by the amount of the duty, for, it is the import, wholly irrespective of home production, which governs market price! Such, notwithstanding its transparent absurdity, appears to be the view held by Mr Gladstone. In the Corn Exchange, Edinburgh, on the 28th November, 1885, he said,—

‘Suppose 1,000,000 quarters of corn, or 2,000,000 quarters of corn, even, were imported, and paid a duty of 5s., in that way the revenue would obtain an augmentation of £500,000; but 18,000,000 quarters grown at home, and sold for the benefit of the British landowners, were charged 5s. extra, so that, while £500,000 went into the chests of the State, £4,500,000, or 5s. a quarter on 18,000,000 quarters, went into the pockets of the landlords. And that, gentlemen, is the contrivance which it is now endeavoured to bring in.’

Supposing, we only imported 500,000 quarters, and produced 19,500,000, we should still, if Mr Gladstone’s argument is good for anything, find the price raised all round 5s., per quarter. Or, let us suppose, that, in some freak of generosity, the States presented us with a gift of 2,000,000 quarters, would our farmers have to follow suit, and hand over to us the 18,000,000 for nothing? The statement that the £4,500,000 would all go into the pockets of the landlord, is not a whit less absurd. It simply amounts to this, that in 1835, when the market price was 39s. 4d., and the duty 34s. 8d., the latter all went to the landlord, leaving the farmer only 4s. 8d., per quarter! If it is true, that a duty raises the price all round by its amount, and that this

increase in price all goes into the pockets of the landlord, it follows, as we have said, inevitably, that when it is removed, the market must fall by its amount, and that the whole of the fall, on so much as is produced at home, must be borne by the landlords. But it is notorious that landlords, farmers, and all connected with agriculture have suffered,—farmers most of all,—by our system of free imports ; or, is there some magnetic power, some economic law, known only to Mr Gladstone's subtle brain, whereby, in the one case, the £4,500,000 find their way into the pockets of the landlord, and in the other, they come out of the pockets of all connected with agriculture. This argument, which has done more than any other, to set class against class, and to fatally mislead the people of this country, as to their true interests, has been accepted as incontrovertible, for no other reason, apparently, than because Mr Gladstone said so. But see how he refutes his own argument.

In his speech at Midcalder, 27th November, 1879, after stating that he preferred 'to speculation and mere abstract argument, the method of reverting to experience. Experience will give us very distinct lessons upon this matter,' he goes on to say,—'The price of wheat has been much the same as it had been before. The price of oats is a better price than was to be had on the average of protective times. But the price, with the exception of wheat, of almost every agricultural commodity, the price of wool, the price of meat, the price of cheese, the price of everything that the soil produces, has been largely increased in a market free and open to the world.'

Here we have Mr Gladstone's authority for it, that repeal had not lowered prices, but had actually

raised them, showing that the consumer had not paid the duties. Yet, he and his party never ceased boasting, that it had enormously lowered the price of the people's food! In the same speech he said,—

‘If, after the manner in which we effected that change, it be right that we should go back upon our steps, then all I can say is, that we must lose that which has ever been one of the most honourable distinctions of British legislation in the general estimation of the world—that British legislation, if it moves slowly, always moves in one direction—that we never go back upon our steps. But, are we such children that, after spending twenty years, as I may say, from 1840 to 1860, in breaking down the huge fabric of Protection, in 1879, we are seriously to set about building it up again? If that be right, gentlemen, it will involve on our part a most humiliating confession.’

He was, however, afterwards quite prepared to undo the legislation, which effected the Union between Great Britain and Ireland, in regard to which, he had, but a short time before, said at Aberdeen,—

‘Can any sensible man, can any rational man, suppose that, at this time of day, in this condition of the world, we are going to disintegrate the great capital institutions of this country, for the purpose of making ourselves ridiculous in the sight of all mankind?’

Had Mr Gladstone continued to take an active part in the political affairs of his country, the disbelief in Free Trade, so rapidly spreading among all classes of the community, would, no doubt, have furnished him with the most cogent of reasons for ‘going back on the past and restoring protection.’¹

¹ It is difficult to see, on what ground, Mr Gladstone's claim to be a great financier, rests. He originated nothing new, or, which has

The committee of the Belgian Chamber of Representatives, in their report in 1886, on a proposal to establish import duties, state that, on the seven occasions on which duties were imposed on wheat, the price thereafter fell, and that, when the duty was abolished, it rose, save in one instance, when a duty of $7\frac{1}{2}$ francs per 100 kilogrammes (6s. 3d. per quarter) was established, which only caused an advance of one franc per hectolitre (2s. 9d. per quarter).

been of lasting benefit to his country. His budgets were not framed with an eye to the future, but for the purpose of dazzling and captivating a people, ignorantly impatient of taxation, who, while they hailed with acclamation the remission of customs duties, did not pause to consider, how the loss of revenue was to be made up, or how the squandering of such effective sources of supply was but adding to the burdens on home industry. His advice to the farmers to 'grow jam'—his singular exposition of the incidence of the duty—recent silver legislation, against the wishes of the Indian Government—the abolition of the hop and malt duties—and the almost criminal recklessness with which he threw away the £1,750,000 to £2,000,000, we should now have been receiving from the 1s. fee on corn, were not indications of great financial ability, such as Lord Beaconsfield's great coup, of the purchase of the Suez Canal shares, for £4,000,000, worth to-day £17,000,000.

While professing to set a high value on the opinion of 'the civilised world' on Irish affairs,—in regard to which, it knows nothing, and cares less,—he has only pitying contempt for it, when it dissents from his views on protection, of which it knows something. On the 19th April, 1890, he said, 'I do not wish to inflate national vanity. I do not wish to say, that we are wiser or better than others; but I do say, that it often happens in the counsels of Providence, that each nation, or some particular nation, is appointed to work out our great social, political, or economical problems for the world at large. . . . The devil is wiser than of yore, and protection is bolder than before.' From which he appears to believe, that his country has a Divine mission to preach Free Trade, in opposition to the devil, who has adopted protection! With protection everywhere rampant, and the last defences of Free Trade in this country crumbling to pieces, it will have a hard task.

In Consular Report 77, Sir E. B. Malet reported, May 1887,—‘*Eight years’ experience had shown that the higher duties introduced in Germany in 1879, had been attended with the most successful results, fiscally, but that they had failed as protective duties. The fiscal receipts on cereals had risen from £700,000 to £1,500,000. The receipts of the duties on cattle, from £50,000 to £225,000, a clear gain to the Government of £975,000 of revenue, which not only cost the consumers nothing, but had actually lowered the price. . . Wheat had fallen to a price level unknown for a hundred years. In 1884 the price had fallen to 173 marks per 1000 kilos (2200 lbs.). On the duties being again raised in 1885, the price fell to 162 marks, and in 1886 to 157 marks. These were official figures. So much for the assertion that the higher duties had raised the price of the most necessary articles of food’ and, adds Sir E. B. Malet, ‘the change was supported by all parties, Liberals and Conservatives alike.’*

In Victoria, where a duty of 14s. a quarter is levied on wheat, the price of the loaf was actually 2d. cheaper than in Queensland, where the duty was 2s. 8d. per quarter. The reason assigned was that the agriculturists of Victoria,—as was doubtless the case in Belgium,—protected from their markets being unnecessarily flooded, were able to go into wheat cultivation with confidence. Internal competition was in consequence stimulated to an extent that kept down prices.

The consular reports laid before Parliament in February 1888, showed, that, in spite of duties, rang-

ing from 6s. to 14s., per quarter of wheat, in no country in Europe was the price of bread dearer than in England. Why should a duty operate differently here, from what it does in Germany, or France?

The Times, which habitually expresses the loftiest contempt for protectionists and all their ways, is sometimes driven to confront facts, which square ill with its pet theories. Referring, in a leading article, to the consular reports on the duties, which had sometime before been raised on agricultural produce in France, it says,—‘*In no district, covered by any consular report, are the prices of either grain, or cattle, higher than they were before the increased duties were levied, and, generally speaking, they are lower.*’ Yet, the foreign competition had been checked. ‘The margin of cultivation had been extended, and indifferent land brought under the plough, and the *Government had received a considerable revenue, without loss to anyone.*’ These words, which about comprise the whole case for protection, are remarkable; yet, *The Times* has nothing but sneers for its advocates!¹

¹ M'Culloch, referring to a duty on corn, which he said, would, under certain circumstances, fall wholly on the foreigner, says:—‘The effect would be to hinder the overloading of the market, and consequently to prevent prices falling so low as to be injurious to the agriculturists and those dependent on them. And it must be borne in mind, that the distress of the agriculturists never fails to re-act on the other classes. When the former are involved in difficulties, their demands for the products of the towns and of our colonial possessions are proportionately diminished, so that the market is glutted with manufactured goods, sugar, etc., as well as with corn. It is indeed uniformly found that the injury that is thus occasioned to the manufacturing and trading part of the community, very much exceeds all that they gain, by the temporary fall in raw produce. It is plainly, therefore, a capital mistake to sup-

Mr Vansittart, reporting to the Foreign Office on the agriculture of Wurtemberg, says : ‘ The increased duties on corn, which came into force on July 1, 1885, *have not had the slightest effect in raising the prices, which remain as low, if not lower, than before.* This applies to grain, malt, oil-seeds and hops. Maize is cheaper than ever ; and the prices of barley and oats likewise remain low. *In spite of this, the competition, especially from America, Russia, and Australia, is steadily increasing.*’

Mr Hepworth of Dewsbury, at the meeting of the York Chamber of Agriculture, stated that, ‘ when the United States tariffs were increased, and again increased, his firm, in order to compete, had to decrease, and still again to decrease, its prices to retain its custom.’ Does this look as though the American consumers were paying the import duties ?

Mr Vickers, in his evidence before the Royal Commission (Second Report, page 10), after stating that, the trade of his firm in bar and sheet steel with America had fallen from £83,000 in 1864, to £4000 in 1885, and, during the same period, in railway material from £100,000 to £1000, says, in answer to the inquiry, as to whether the consumer paid the American duty on steel manufactures,—‘ Certainly not ; they do not pay anything like the amount that is represented by the duty, because the works have posed that the duty and drawback would be advantageous only to the agriculturists. They would redound quite as much to the advantage of the other classes.’—M‘CULLOCH on ‘ The Corn Laws,’ *Encyclopædia Britannica*, Vol. VII. page 394.

been established, and their proprietors must now manufacture at a low price, in order to keep the works going: they do not manufacture at a large profit.' Asked, 'Is the effect of the American tariff to keep your goods out, without raising the price in America to the consumer, to anything like the amount represented by the duty?' 'That is so now; it was not so in the past.'

Mr Porter, member of the United States Tariff Commission, in his report to the Government on the working of the Free Trade system in England and protection on the Continent, says: 'I was assured by a score of manufacturers, when travelling in Lancashire and Yorkshire, that the recent increase in the French tariff came out of their pockets, and not out of the consumers of France; that they were compelled to sell their goods in France at the same price as before the increase of duty. In Germany I found precisely the same state of things.'

The following is from a very able pamphlet by Lord Masham:—'Free traders say that the consumer pays the duty; as a general proposition it may be correct, when the import encounters no internal competition; but when the contrary is the fact, it is far from being the case. Let me point to one very striking and remarkable instance. English wool has been as high as 20d. per lb., and the same wool has been sold at 10d. and even less. Germany, France, and the United States—the principal customers for goods made from that class of wool—having increased their tariffs to a point that made business impossible, the

manufacturers had nothing for it but to reduce their production, and, in consequence, were for several years large losers. After a protracted struggle, English wool was reduced one-half in price, and then goods could be delivered to the protected countries, as cheap, as before the increase of duty. In that case, who pays the duty? Why, the British farmer, to the extent of several millions yearly, the *consumer not paying a single sixpence*. And, if we were to put a duty on corn from the United States, the same thing would occur, as it must have a market, and therefore the American exporters must pay the duty, to compete against the home producer, as well as against the supplies of Canada, India and Australia.

When Sir Robert Peel reduced the duty on spermaceti oil, he was warned that it would be the ruin of the British Southern Whale Fishery, without lowering the price to the consumer. The number of ships engaged in the trade in 1840 was 72. The price which then had averaged £84 per ton, averaged, after the duty of £29, 15s. per ton was abolished, £82 per ton, and the number of ships was reduced to 16.

A large iron manufacturer, who had had extensive dealings with the States, told the author that, 'When the States added and again added to their duties, I had to set my brains to work, to cut down cost in every way, to enable me to squeeze in and pay the duty, for in no instance, had the increase in the duty led to an advance in value in the American market.' Or, as stated by Professor Nicholson, 'our producers'

prices must be lowered, to enable us to creep through the protective barriers.'

The following case occurred in the author's own experience, when the head of one of the largest importing houses in Calcutta. In 1858 the Indian Government suddenly raised the duties on Manchester manufactures, etc., from 5 to 10 per cent. We, the importers, remonstrated, but were told it did not concern us, for the difference would be paid by the consumers. When we tried to add the 5 per cent. to market price, we were informed by the native merchants 'they knew nothing about duties; there was the market price, we could take it or leave it.' We had to yield; but what happened thereafter? When we replaced the goods, on which we had been so heavily mulcted, we reduced the price limits we sent to Manchester, by the amount of the added duty, which the manufacturers, who could not stop their works, were forced to accept. When years afterwards the duty was reduced to 5 per cent. again, as before, the market price was not affected, and we recovered our former losses. Here clearly the duty was not paid by the consumer. *It had had no effect on the supply and had therefore not raised the price.*

We have recently had a most interesting and instructive illustration of the supposed woes of the consumer. On the 1st March, 1894, a deputation of Lancashire manufacturers waited on Lord Kimberley, to protest against their products being included with those, now to be subject to a duty of 5 per cent. They, at least, with the experience of the past to

guide them, were under no delusion as to who would have to pay it. Nor was *The Scotsman*, notwithstanding its contention that the duty is invariably paid by the consumer, for it says, 'that the Lancashire trade would be severely hit, by being included in the list of those which are to be taxed, is a truism.' The point, however, to which we desire to draw the reader's attention, is this: Lord Kimberley told the deputation, that though cotton goods were not to be included,

'There was one never-ceasing outcry in India, against the repeal of the cotton duties, which was regarded as a most repressive proceeding on the part of England.'

Let it be kept in mind, that this 'outcry' does not come from the Indian cotton manufacturers only, a very small section of the community, whose products being of the coarser makes, which have already, almost entirely driven out similar qualities, made in Lancashire, do not come into competition with the finer yarns and cloths of the latter; *but from all classes of the community, the actual consumers.* '*A never-ceasing outcry against a government measure, which it was maintained, relieved them of 5 per cent. of the cost of their clothing!*' What would Richard Cobden, were he to 'return to this sublunary scene,' have to say to such a topsyturvy result as this? Here is the Indian Government in the direst straits for money, being urged by the consumers to reimpose duties, which would add £1,350,000 to its annual revenue, not only, under orders from the home Government, afraid of the Lancashire vote, refusing to do so, but perpetrating the gross injustice

of taxing our other industries, which have in the bulk suffered as much as Lancashire from the depreciation in silver. Inexplicable as this may be to the free trader, the explanation is not far to seek. The natives of India are very intelligently alive to what is for their own interest. They did not fail to perceive, that when the cotton duties were repealed, prices had not fallen, but that the duty had simply gone into the pocket of the home manufacturer, and that in order to make up the loss of revenue, another form of raising it would have to be found; in other words, *they would have to pay the tax of which Manchester had been relieved.*

The Economist of 16th December 1893, referring to the proposal to levy an import duty on silver in India, said,—‘The most probable effect of that would be, to cause a fall in the price of silver, pretty nearly proportionate to the amount of the duty,’ and, said *The Scotsman* of 22d January, 1894,—‘It (silver) would fall lower in price in the other markets of the world, so as to adjust itself to the duty.’

Read wheat, instead of silver, and as there is no economic law applicable to the one, which is not applicable to the other, we have here our contention fully borne out by two leading Free Trade journals. Yet, they stoutly assert that a duty on wheat would be wholly paid by the consumer! In a leading article, 28th February, 1894, *The Scotsman* says,—

‘It may seem strange that, in spite of the increased duties on foreign corn, the prices of wheat and other grain grown by the French agriculturists continued to fall. It is explained that France really grows more than sufficient wheat for her own needs.’

How long would France be in this happy position, if she threw her ports open to foreign corn?

We have said that a duty has, in some cases, been the means of lowering the price to the consumers to an extent, which, but for the encouragement it gave to internal production, would in its absence have been impossible. Here is an instance. In 1865 the United States imposed a duty of 45 per cent., on steel rails. The price was then 127½ dollars in gold. Protected by this duty, the iron and steel industry has so grown and prospered in the States, that it is now the largest in the world; with the result, that since 1865 the price of rails has steadily fallen, until this year (1894), though subject to a duty of 13½ dollars per ton, the consumer is able to purchase them at 23 to 24 dollars per ton. If iron and steel manufactures had been admitted free, is there any one simple enough to believe that, undersold by our manufacturers, this industry could there have grown as it has, or, that the prices of rails in our markets would to-day be only £4 per ton? But mark what the States have still further gained. 1st, The giving continuous employment to hundreds of thousands of their people; 2d, a large revenue from the duty; and 3d, the great development of their railway system, which, had they purchased their rails abroad, would, save at a greatly enhanced cost, have been impossible.¹

¹ When travelling in the States three years ago, the author frequently discussed the question with Americans. 'Why,' they said, 'don't you put a duty on our corn?' 'Because our people believe they would have to pay it.' 'Nothing of the kind. Suppose you suddenly imposed a duty, shippers of wheat from New York would immediately

The consumer of kid gloves has not been benefited by the abolition of the duty in 1860; on the contrary, they are dearer, and the glove industry has been crushed out of existence, to the great advantage of France and Belgium. Is beer cheaper since the duty was taken off foreign hops, or the excise duty off malt? It is not. The brewers have alone benefited, as foretold by Lord Sherbrooke.

‘If the House thinks that, by taking 16d. per bushel off malt, they will lower the price of malt liquors to the consumer and not increase the profits of the monopoly, they are deceiving themselves most grossly. Just let them look at the past. Malt is much cheaper now, than when the Corn Laws were repealed, but had the consumer, or the poor man, derived the slightest benefit from the reduction? Everyone knows that he has not, but that the whole amount goes into the pockets of the brewer.’—*Life*, Vol. II. page 54.

Are coals cheaper in London, since the tax of 1s. per ton was abolished in 1889? On the contrary, they are dearer, and the Metropolis has lost a revenue of nearly half a million, which it has had to make good under another form of taxation. The 1s. duty simply went to swell the profits of the coal merchant.

These few typical cases, which might be multiplied indefinitely, show what is constantly occurring in the experience of every exporter. Even if the consumer were benefited by the free import system, which the evidence, we have adduced, shows he is not, he is

reduce their offers by the amount of the duty; if accepted, who pays the duty? If refused, the wheat destined for your ports would be thrown on the New York market, when down would go the price, for we cannot do without your market. In either case the duty would fall to be paid by us.’

certain not to be so in the end. We have seen how he has fared as regards his gloves and his beer. Take the case of sugar? The bounty system is rapidly bringing about the ruin of this industry here, and in our West India Colonies. When foreign countries find it extinguished, the bounties will be dropped, and the higher prices the British consumer will then have to pay, will more than recoup these countries the sacrifices they are now making. But we are told that, in the matter of these bounties, foreign countries are taxing themselves for our benefit—that, in fact, they are simply making a gift to us. *Timeo Danaos et dona ferentes*. If this is so, how comes it that our Government so strenuously sought to get them abolished? If tariffs so cruelly handicap foreign manufacturers in the great industrial race, why should we so bitterly complain of them?

But who is the consumer, for whom we make such great sacrifices? If one who consumes, but does not produce, he is unworthy of consideration. In a great industrial community like ours, the vast majority of the population are producers. Working men by the labour they contribute, more than a third of the cost of production, are much more producers than consumers, and in the proportion that they are so, are they benefited by high prices more than by low. They have but their labour to sell, and our policy is to deprive them of their market. Cheapness, the result of foreign importations, must prove the ruin of those, who depend on labour, as their only means of earning a livelihood. We boast of the increase in

imports, the result of foreign labour. Other countries wisely prefer to employ their own, even at the cost of an increase in price. They do not believe that national wealth is to be increased by simply consuming. The investor in home railways, tramways, water-works, gas-works, mines, or, in any kind of home industry, is a producer; all, in fact, who earn from work done, or, from money lent in this country, are producers, who would gain more in income by a general rise in prices, than they would lose as consumers. The exceptions are the small minority, whose incomes are fixed, and the investor, whose capital has gone abroad, to assist the foreigner in crippling the industries of his native country, to whose care we may safely leave him. The vast majority of our people, then, being producers to a greater extent than they are consumers, it requires but little reflection to see that a moderate rise in prices, induced by a judicious system of protection, which would enable us to purchase home products, in place of foreign, would, especially to the working classes, be a distinct gain to the greatest number.

In reply it is asked, 'Why should I be taxed for the benefit of the producer?' Were the interests of each member of the community, entirely distinct and separate from those of his neighbour, the objection would be unanswerable; but how does the case stand? We have seen that, when a duty is removed, it has to be replaced by some other form of taxation, so that the cost of living, in so far as the tax is concerned, has not been reduced, but, as we all know to our cost,

taxation has, within the last forty-five years, enormously increased. A manufacturer of carpets, owing to foreign imports, finds his profits cut down to the lowest scale. He no longer is able to spend what he did. His furniture is the worse for wear, but he cannot afford to replace it. Pictures and works of art he must now do without. He cannot afford to travel as he did, and when he does so, he goes third class. He only consults his doctor and lawyer when forced to do so. He keeps fewer servants, and so on throughout the list. In fact, the railway investor, and all with whom he dealt, suffer to a vastly greater extent by his loss of income, than would have been the case, had they paid him a reasonable price for his carpets. In other words, were the millions we now send abroad in payment of these foreign imports kept circulating at home, every member of the community would, instead of the general impoverishment now going on, directly, or indirectly, benefit. The free trader pays, without demur, heavy duties on his tea, coffee, dried fruits, and tobacco. It is only when we propose to replace these duties by others, which would benefit the industries of his country, we are met with the indignant inquiry, 'Why should I be taxed for the benefit of the producer?'

CHAPTER VI.

AGRICULTURE.

Cobden's Contention that Free Trade in Corn would bring Prosperity to Agriculture—Agriculture our Greatest Industry—Its Rapid Decline—What Protection has done for it in France, and in the Past in Great Britain—We have the Finest Wheat Land in the World—Cost of Growing a Quarter of Wheat—Absurdity of the Contention that we cannot Grow all we Require—Our Sources of Supply—Table of Wheat and Flour Consumption—Table of Imports of Agricultural Produce per Head of Population—Table of Imports of Food Stuffs—Reduced Acreage under Corn and Green Crops—Reduced Fertility of the Land—Depreciation in Its Value—Imports and Home Production of Live and Dead Meat—Unjust Taxation of the Land—Cost of Transit no longer a Protection to the Farmer—Free Trade has not made Food Cheaper to the Working Classes—Profits of the Middleman—Agricultural Labourers' Position has not been improved by Free Trade—Co-operative System an Outcome of Free Trade—The Milling Industry—The Hop Industry—Decline in the Production, and Increase in the Import of Hops—The Cultivators of Tobacco and their Treatment by the Government—Irish Agriculture—Great Danger in Time of War.

WHEN agricultural distress occurred under protection, it was stoutly asserted by Cobden, that, it was caused by the Corn Laws—that, under 'the healthy climate of competition,' a better system of husbandry would be adopted, which would lead to our producing 25,000,000, instead of 20,000,000 quarters of wheat,

and that 'no industry would benefit so much under a free trade in corn, as agriculture itself,' which would become, 'like our manufactures, unrivalled in the world'—nay, that we should again become exporters of wheat. Such were the delusive hopes held out to the agriculturists. They failed to see their irreconcilability with those entertained by the manufacturers, that a new departure, wholly uncalled-for by the circumstances of the time, which selected our greatest industry for experiment, was but a hazardous leap in the dark, which, while in no way likely to benefit any member of the community, might, sooner or later, bring ruin, on, not only agriculture, but on the other industries of the country, whose activity depended so largely on its prosperity.

Let us see what this industry is, which the nation with amazing indifference—in singular contrast with the spirit, patriotism and business capacity it has shown in the past—is prepared to see sacrificed, rather than abandon the fallacies of an exploded system—and what is the price the nation is paying for its much vaunted cheap loaf.

It is an industry, which is in every corner of the land, in which 12,000,000 of the people are directly interested, and estimated by Sir James Caird, Mr Giffen, and other competent authorities, to have yielded annually, twelve years ago, produce of the value of £300,000,000. The capital of the landlords was estimated at £1,600,000,000, and that of the farmers at £400,000,000. These £2,000,000,000, according to Mr Giffen, yielded an annual income of

£212,000,000.¹ It is an industry, double the value of the textile fabrics, turned out by our factories—three times the value of the yearly produce of our forges and foundries—four times that of our mining production, and exceeded by £66,000,000, our annual average exports of domestic produce during 1880-4.

The following estimate, published by Mr J. Howard in 1888, which is exclusive of what was consumed on the farms for seed, and the value of the nursery and market produce, shows how rapid has been its decline.

Corn Crops, including straw sold,	£44,069,195
Potatoes, 4½ tons per acre, at £3, 10s. per ton,	21,458,824
Other Green Crops sold,	2,527,576
Hay sold,	13,112,785
Flax,	1,501,908
Hops, Fruit, and Vegetables, at £20 per acre,	6,711,000
Cattle,	40,476,915
Sheep and Lambs,	21,049,479
Pigs,	10,654,850
Hides, 2,000,000 at £1,	2,000,000
Sheepskins, 10,000,000 at 4s. 6d.,	2,250,000
Wool, 135,731,790 lbs. at 9½d.,	5,372,716
Horses sold for town use and export, 200,000 at £30,	6,000,000
Milk, 555,000,000 gallons at 8d.,	18,500,000
Cheese, 2,710,000 cwt. at 5½d. per lb.,	6,955,666
Butter, 1,918,660 cwt. at 1s. per lb.,	10,744,496
Poultry, Pigeons and Eggs,	7,000,000
Total,	<u>£220,385,410</u>

Since 1888, there has been a further decrease in the production and value of agricultural produce of more than £20,000,000, or within the last twelve

¹ The official value of the land of the United Kingdom was, in 1887, £1,873,000,000. According to Mr Muthall it had declined between 1887 and 1890, £523,000,000. He estimated the agricultural capital in 1880 at £2,550,000,000, and in 1887 at £2,287,000,000.

years, of not less than £100,000,000 annually. Many of our farmers have been ruined—land is a drug in the market, and the agricultural labourers are driven to the towns for employment, with, as the inevitable result, severe trade depression.

Sir Robert Peel, we have seen, estimated our yearly production of wheat in 1842 at 22,000,000 quarters. Taking these at 51s., the average price between 1843-5, fairly good harvest years, during which, we only imported, on the average, 772,404 quarters, and might then be said to be producing all we required—the yield of 1856-7 at the average price during the thirty years following repeal, 52s. 3d.—and that of 1892-3 at 28s. 5d., we find our position to-day, as compared with these years as follows:—

Years.	Imports, Wheat and Flour.	Home Production.			Value.
		Acres.	Quarters..	Average Price.	
Average. 1843-5	Quarters. 772,404	unknown.	22,000,000	51/-	£ 56,100,000
1856-7	4,693,741	4,199,812	15,756,881	52/3	41,277,000
1892-3	22,092,707	2,126,910	6,980,506	28/3	9,859,964

We have here an annual loss of wealth to the nation, which, had agriculture been protected, we should with ease have been creating from our own soil, of no less than £46,000,000. If this statement is disputed, we have only to turn and see the effect in France, since she so heavily increased the duties on wheat and flour. *The 'Journal Officiel' states, that the area*

under wheat was, in 1892, 17,449,779 acres, estimated to produce 37,500,000 quarters, or an increase of 2,901,010 acres on 1891, and a yield of 9,500,000 quarters over the produce of 1891. A supply had thus been provided ample for the wants of the people, which prevented any advance in the price of bread after the duties were raised, and in some districts had actually lowered it. Were we to adopt a similar policy, what a relief it would be to the labour market in the towns, and what prosperity it would bring to our home trade! How different our position was in 1831-40, when, as stated by Mr Porter, of a mean population of 17,500,000 in England and Scotland, 16,500,000 were fed on home produced wheat, and Ireland was self-supporting, from that of the United Kingdom in 1893, when only 8,500,000 of the population were fed on home wheat, and 30,000,000 on foreign! He further tells us, that in the first half of the century, 4,129,777 additional acres had been cultivated, which had brought up the area of cultivated land, including meadows and pastures, to 46,522,970 acres—that by draining and manuring, the fens of Cambridgeshire had been so improved, that they were producing some of the finest wheat grown in England, where but a century before, its cultivation had been scarcely attempted.¹ The ‘Statistical Account of Scotland’ reports, not only a vast improvement in agriculture, but in the condition of trade in consequence, and that of the cottagers and ‘hired labourers, who had no

¹ See chapter on agriculture in *Progress of the Nation*, published in 1851.

care but to do their work and receive their wages,' 'and,' adds Mr Porter, 'there is a very general belief among persons, who have given attention to the subject, that by the judicious application of improvements, already within our knowledge, *we may not only provide for the entire population, but become, and continue for some years to come, exporters of grain.*'

Such was the state of agriculture under protection, until free imports gave it the check, from which it has never recovered, but has steadily gone from bad to worse; all the more distressing when we reflect that we have in these islands the finest wheat land in the world; which produced, according to the Agricultural Returns for 1892, on the average of the three years, 1889-91, 30.6 bushels to the acre, against 19.3 in Germany, 18.3 in Canada, 16.9 in France, 16.8 in Hungary, 14.4 in Austria, and 12.7 in the United States. Land, which is now rapidly being abandoned, or laid down in grass, to save the cost of ploughing, sowing and harvesting.¹

The political pharisees of the Cobden school, who pose as the friends of the farmer, tell him that all this is the result of iniquitous land laws, and that if he cannot 'make corn pay, he must take to growing meat.' Give him the land for nothing, if you will, and abolish these laws, if you will, what better would his position be? The cost of growing an acre in wheat, exclusive of rent and interest on farmers' capital, obtained by Mr Poynter from 140 returns, and twenty counties, was found to average £6, 14s.

¹ See Appendix (E).

or, allowing $3\frac{1}{2}$ quarters to the acre, 38s. 3d. per quarter. Mr Harris, in his evidence before the Royal Commission on the Depression of Trade, stated that the burdens on agricultural land amounted to 12s. an acre, and that in America, where no fertilisers are required, and the produce of 5 acres of wheat can be brought from Chicago to Liverpool, at less than the cost of manuring an acre of wheat in England, the burdens only amount to 6d. an acre. It is surprising, not that we grow so little, but that we grow so much. The explanation is, that farmers cannot do without the straw, as bedding for their cattle, worth about £2 per acre, and for which no substitute has yet been found. They are further handicapped by the depreciation in silver, which enables the shippers of wheat from India, who can buy it at about the same price as when the rupee was at 2s., to now, lay it down here, with the exchange at 1s. 2d., at a reduction in cost at 42 per cent. The absurdity of telling the farmer, that if wheat won't pay he must turn his attention to rearing live stock, was clearly pointed out by Mr Poynter.

‘The fact is that, instead of producing more meat by ceasing to grow corn, we shall actually produce less. Meat, fit for the butcher, cannot be produced in any large quantities, except by a course of arable farming, which produces roots and straw on which to feed cattle and sheep, and, in turn, produces manure for the corn crops, inseparable from the system. Are we to understand, then, that we are expected to grow meat at a profit, *if we can*, in order that we may find corn for the population of the country below the cost of production? Are there not risks enough and losses enough in feeding cattle and sheep, without having to add to the cost of their keep, the amount lost upon the corn crop off the rest of the farm? . . .

‘I dare to repeat that a system, which is gradually, but surely reducing the acreage under corn cultivation, must have for its effect a proportionate decrease in the quantity of meat, that can be produced off any given acreage of land. The only way to enable the farmer to produce more meat, is to increase the production of corn, *i.e.*, to make corn-growing profitable. Acre for acre, land under corn cultivation will produce corn and meat for six persons per acre; under grass, food for one person per acre; that food principally in an immature state; and certainly not fat meat on one acre out of twenty, nor more than five months out of the twelve. Truly, the sneering recommendation of the wise men of the day that we should cease growing corn, in order that we may devote ourselves to meat production, is one of the most ignorant, of the many absurd pieces of advice, with which we are so constantly supplied. . . . The fact is that the nation wants to be fed under cost price; and, while inveighing against farmers for not paying their labourers higher; against landlords for asking a paltry two per cent. or three per cent. on the capital they have invested in land, houses, buildings, drains, etc.; and against the whole agricultural interest for not investing more capital in a losing business; yet, at the same time, lays enormous burdens of taxation upon the land, and talks of making those burdens heavier.’

But it is said, that we have little of this wheat land, and that we must be dependent on foreign countries for all, but a small portion of our consumption. Such, we have seen, was not the opinion of Richard Cobden, who, when draining and other improvements were but coming into use, promised us that, under a free trade in corn, we should greatly increase our production of wheat.¹ With a cultivated area, includ-

¹ The first field drained, on the four feet plan, was on a farm near Bolton, in the year 1843, but the system was not to any extent adopted till 1846. In that year an Act was passed, which appropriated four millions towards assisting landlords with loans for the draining of their lands. The produce of lands, formerly condemned to remain poor pasture, was trebled. It was estimated, that between 1846 and 1856,

ing meadows and pastures, of 48,000,000 acres, 8,000,000 of which would yield all the wheat we require, how can it be asserted that we are unable to feed ourselves? But, even if it were true, is that an argument for our not using every means in our power to produce all we can?

Our receipts from the countries which supply us with wheat and wheat flour, were on the average of the three years 1890-92 annually as follows:—

United States,	.	.	.	9,370,198
Russia,	.	.	.	2,979,271
India,	.	.	.	2,692,108
Australia,	.	.	.	556,904
Canada,	.	.	.	894,671
Other Countries,	.	.	.	2,662,696

19,155,848 Quarters.

of which 4,143,683 quarters were received from our own possessions. Our consumption, as will be seen from the table on page 172, may be assumed to be 350 lbs. per head, or 28,000,000 of quarters. It may be safely predicted, that were 'the natural protection' of 10s. 6d. a quarter,¹ the farmer had for many years after the repeal of the Corn Laws, restored in the form of import duties, on wheat, and flour, while admitted free from our own possessions, we should see a considerable increase especially from India, in our supplies from the latter, which with that in home

sixteen millions had been spent on draining; while, at the same time, artificial manures and guano came to be used, which still further largely increased the produce of the soil.—(See *Quarterly Review*, 1858, on 'The Progress of English Agriculture.')

¹ Cobden styled the cost of freight, etc., the natural protection enjoyed by the farmer.

TABLE of Imports, Home Production, and consumption of Wheat and Wheat-Flour, in the United Kingdom, from 1887-93. (Flour in equivalent Weight of Grain).

Years.	Total Imports.	Exports.	Net.	Home Production.			For Consumption.	Prices per Quarter.	Population.	Consumption per Head.	Cost per Head.		
				Acres.	Quarters.	Bushels per Acre.					£	s.	d.
1886	Quarters. 15,638,440	Quarters. 345,486	Quarters. 15,292,954	2,337,894	7,925,471	26.9	Quarters. 23,126,024	31/-	36,312,715	Lbs. 307	0	19	9
1887	18,716,202	235,503	18,480,699	2,387,518	9,570,962	32.0	28,051,661	32/6	36,597,810	367	1	4	10
1888	18,766,149	194,813	18,571,336	2,668,226	9,355,467	28.0	27,926,803	31/10	36,378,912	363	1	4	0
1889	18,416,969	200,031	18,216,938	2,544,549	9,507,071	29.9	27,724,009	29/9	37,176,464	358	1	2	2
Averages	17,884,440	243,957	17,640,482	2,489,547	9,089,742	29.2	26,707,124	31/3	36,741,425	349	1	2	8
1890	19,222,371	198,692	19,023,679	2,483,595	9,543,216	30.7	28,566,895	31/11	37,482,415	365	1	4	3
1891	20,892,516	244,758	20,647,758	2,392,245	9,347,698	31.3	29,995,456	37/-	37,795,400	380	1	9	3
1892	22,307,737	308,261	21,999,476	2,298,607	7,596,905	26.4	29,596,381	30/3	38,109,329	372	1	3	6
1893	21,877,677	203,586	21,674,091	1,955,213	6,364,107	25.9	28,038,198	26/4	38,429,992	363	0	19	4
Averages	21,075,075	238,824	20,836,251	2,282,415	8,212,981	28.5	29,049,232	31/5	37,954,284	370	1	4	0

The low prices of these years show that the supply has been in excess of our wants. Roughly, our consumption may be taken at 28,000,000 quarters = 350 lbs. per head of population.

Though we had 1,558,183 quarters, less available for consumption in 1893, prices fell 3/9 per quarter, showing the decreased spending power of the masses.

TABLE compiled from the Agricultural Returns, showing in Quinquennial Periods the Average Yearly Imports of Agricultural Produce per head of Population (Wheat-Flour *not* in equivalent Weight of Grain).

Years.	Population of the United Kingdom.	Corn, Grain, Meal and Flour, including Beans and Peas, but excluding Rice.						Dead Meat, not including Rabbits, Poultry and Game.				Butter and Mar- garine.	Cheese.	Eggs.	Lard.	Sugar.
		Wheat.	Wheat- Flour.	Maize and Maize- Meal.	Oats and Oat- Meal.	Other Grain and Meal.	Total.	Fresh Beef, Mutton and Pork.	Bacon and Hams.	Other Meat.	Total.					
		Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	No.	Lbs.	Lbs.
1861-65	29,459,465	106	21	39	22	36	224	0.1	4.2	1.6	5.9	3.9	2.9	9	1.3	41
1866-70	30,696,335	116	16	50	33	40	255	0.2	2.3	1.7	4.2	4.3	3.4	14	0.9	45
1871-75	32,189,540	152	19	68	41	55	335	0.2	7.8	2.9	10.9	4.8	4.7	19	1.8	57
1876-80	33,929,039	174	28	122	44	57	425	1.7	13.5	4.0	19.2	6.2	5.7	22	2.5	64
1881-85	35,466,650	186	45	88	42	62	423	3.5	11.8	3.6	18.9	7.2	5.7	26	2.5	74
1886-90	36,894,970	170	48	101	47	70	436	7.0	12.9	3.4	23.3	8.7	5.8	31	3.1	76
1891-93	38,104,978	193	59	94	45	73	464	11.5	13.8	3.3	28.6	10.3	6.4	34	3.3	79

production, certain to follow, and the imports we should still receive from foreign countries, who cannot do without our markets to relieve them of their surplus grain, would yield a supply ample for our requirements. We should then see wheat remain steady, at probably 40s. to 45s., instead of the abnormally low and unnatural price of 24s. This addition to its market value would not be paid by the consumers of bread, one portion being paid by the foreign importer, and another out of the profits of the middleman. A small increase in the price of the loaf, for which the consumers could be compensated by relief from other taxation, there doubtless would be, but whether or no, they have no just claim to be fed so much under the cost of production. As Mr Wilson of *The Economist* said, it never can be for their interest that they, as partakers in the general welfare, should be so, and their country be dependent on the foreigner for its food supplies.

Nor has the farmer, by turning from wheat to the production of other kinds of farm produce, been able to find compensation, for in all, as shown by the table of imports on page 176, he is meeting with the same fierce competition, which yearly increases with startling rapidity.

We here see the enormous decline in the value of almost every description of farm produce. If we calculate the imports of 1893 at the prices current in 1880, we get £136,000,000 as the increase in

volume of this foreign trade. And who has benefited? Certainly not the consumers, who are to-day paying very nearly as much for their food as they did in 1880.

Foreign frozen, chilled and preserved meat is now sold in all parts of the country, unknown, as a rule, to the purchaser, imports of which, as appears from the following extract from *The Scotsman*, 5th January, 1894, are likely to be greatly increased :—

‘There is no branch of our import trade, of which it can with greater apparent truth be said that it is in its infancy. The White Star Line have, within the past few weeks, added to their fleet the steamer *Gothic*, intended primarily for the Colonial meat trade. She has freezing chambers, capable of holding very nearly eighty thousand mutton carcasses. Two other large steamers, the *Perthshire* and the *Buteshire*, enter upon the same trade forthwith, bringing the number of vessels fitted with refrigerating machinery to sixty-seven, of which only four are sailing vessels. This fleet can convey on each voyage from Australasia nearly two and a-half million carcasses. There are twenty-one steamers similarly equipped for the trade from North and South America. New freezing establishments are being erected in New Zealand and New South Wales, capable, with those already in operation, of handling an annual output of three million carcasses. Suitable stores are being built at the landing ports at home in which to hold the shipments in certain exigencies of the market. Colonial flockmasters are alive to the new conditions that have arisen, and are now intent on raising the type of sheep in the best demand. They now grow for mutton, and not as formerly merely for wool. When the Argentine Republic becomes a land of settled government, it too may easily lay claim to almost a lion’s share of the trade in frozen mutton; for its vast plains are capable of sustaining flocks of sheep that would almost baffle computation. Mr Thomas Gibson, in his recent book on the *Sheep Breeding Industry of the Argentine Republic*, points out that it is only since 1886 that that industry has sprung into life, after having

IMPORTS OF AGRICULTURAL PRODUCE.

		1860.		1870.		1880.		1890.	
		Quan.	Value.	Quan.	Value.	Quan.	Value.	Quan.	Value.
Corn and Flour,	Quar.	12,215,429	£ 31,671,918	£ 17,290,551	£ 34,169,685	31,306,924	£ 62,857,269	37,763,967	£ 51,299,802
Animals,	No.	424,788	2,087,293	872,077	4,298,434	1,330,845	10,060,396	402,865	6,351,704
Bacon, Hams, Pork, Cwts.		499,431	1,367,435	824,178	2,568,749	5,743,915	11,660,834	4,557,310	12,115,188
Beef and Meat,	"	262,194	418,049	334,334	804,577	1,822,766	4,759,733	4,749,494	9,928,578
Lard, . . .	"	198,030	587,079	217,696	727,192	927,512	1,852,160	1,118,106	2,808,549
Butter and Margarine, "		840,112	4,078,017	1,159,210	6,793,877	2,326,305	12,141,034	3,627,506	16,410,457
Cheese, . . .	"	583,283	1,597,569	1,041,281	3,274,331	1,755,997	5,091,514	2,077,482	5,160,918
Eggs, . . . Thousands,		167,695	478,658	430,842	1,102,080	747,409	2,235,451	1,323,108	3,875,639
Hops, . . . Cwts.		68,918	568,901	127,853	428,525	195,987	900,891	204,592	1,141,294
Potatoes, . . .	"	560,762	136,576	771,903	245,306	9,754,514	2,847,027	2,828,125	906,952
Onions, . . . Bushels		not enumerated		1,084,162	390,830	2,256,897	534,357	4,673,710	783,399
			42,991,495		54,803,586		114,949,666		110,782,480

been checked for three-quarters of a century by war and misgovernment. Of the 78,000,000 sheep in the country, he says fully 60,000,000 are in the province of Buenos Ayres alone. Vast sheep countries still remain unstocked, and he does not hesitate to say that the number of sheep in the Argentine could be doubled in twenty-five years, without in any way overstocking the country. To such a country, in urgent need of ready cash, in which the premium on gold is 228 per cent., it might be supposed that the trade in frozen mutton would offer the strongest inducements for enterprise. Its dimensions, however, are yet of a restricted character in view of the resources within easy reach of the coast. While the imports from New Zealand amount to 43,000 tons, those from the Argentine have as yet reached only to 22,000 tons. There can be no question that a great future is in store for the trade in the South American Republic. It must not be forgotten likewise, that there is in all this a much needed impetus to the shipping industry, a matter of considerable importance from many points of view. Coming to our home markets, it is surely a thing to be noted with satisfaction, that a large supply of wholesome animal food is placed within the reach of the great mass of the people at reasonable prices. It is a positive triumph of civilisation, that 3,000,000 carcasses of sheep are annually landed on our shores, that, under the conditions ruling a dozen years ago, would have been boiled down for fat.¹

¹ All this we are asked to note 'with satisfaction.' But does it benefit the great mass of the people? On the contrary, we shall presently see that we are actually paying more for our food than we did during the days of the Corn Laws. There is more to be considered than the mere cost of food, namely, the income out of which it has to be paid for. It is sheer mockery, while you deprive the worker of his wages, to talk to him of cheap food, which the middleman takes care he shall never have the chance of purchasing.

On the 16th March, 1894, *The Scotsman*, commenting on the lamentable state of agriculture as disclosed in the agricultural returns for 1893, says,—'If farmers and landowners have had much cause to lament these changes, the general body of consumers have had no small cause to rejoice.' Does the writer of these words imagine that the consumers can escape suffering with the agriculturist who has so much less to spend with them? A people rejoicing over the decay of its greatest industry and dependence on the foreigner for its food!

We have no reliable returns of the acreage under other crops, for the United Kingdom, earlier than 1869. In that year the area of cultivated arable land, excluding wheat, and including other corn and green crops, was 13,114,055 acres, against in 1893, 11,678,722 acres, a decrease of 1,435,333, and if we include the diminished area under wheat, 3,462,109 acres that have since 1869, either gone out of cultivation, or been laid down in grass. The great decline in the value of these crops has arisen, not only from the fall in prices, by which the consumer is supposed to benefit, but also from the fact, that so much of the land has gone out of cultivation, owing to the impossibility of our agriculturists, under our system, being able to compete with foreign countries, where land is held and cultivated under wholly different conditions.¹

To this serious loss, we have to add the reduced condition of the land, from the farmer's inability to continue his former outlay on manures and feeding stuffs. In 1887, the late Mr Smith of Brechin, one of the highest authorities on agriculture in Scotland, told the author, that, after having given much attention to the subject, he believed, 'that to restore the land to the good heart, in which it was, in 1880, would require an outlay of £300,000,000.' In a letter received from him in the same year, he said,—

¹ Mr Gladstone, when asked by Mr Chaplin, in July 1893, why there had been such great delay in appointing a select committee to inquire into agricultural depression, replied, 'We should have done that at the

‘Referring to our conversation the other day, as to the reduced fertility of land, consequent on the long-continued depression in agriculture—I do not hesitate to say that the process has been gradually but surely going on for the past ten years. In most cases farmers have been themselves so greatly pinched by the fall in value of all they produce, they have been quite unable to continue their wonted outlay on manures and feeding stuffs. What we call, the condition, of the majority of farms all over the kingdom has been very materially lowered. It is difficult to put a value on the depreciation of lands which have so suffered, but such are now very difficult to let, at a reduction of from 30 to 50 per cent., and inferior lands will not let at all; about one-fourth of the fall may be put down to reduced condition. You have, I daresay, noticed that we are recommended to lay down more land to grass, thereby, saving expense and restoring fertility. Our advisers forget that not one-fourth of the land in Scotland would lie in grass, far less improve under it. Our poorer soils would go to whins and brooms in a very few years.’

While the returns show a considerable increase in permanent pasture, there is reason to believe that a large portion of the area so returned, is simply land which has been abandoned, and now grows only weeds and thistles. In 1887 Mr Pryor sent to the newspapers a list of 75 farms, comprising 21,472 acres, within 30 miles of London, all of which were without a tenant, and 3237 of these acres ‘absolutely and wholly uncultivated.’ In 1890, there was published in the *County Gentleman's Newspaper*, a list of 19 landed properties in England and Scotland, which had been sold for the aggregate price of £662,700, and which had cost the previous owners £1,404,000 ;

expense of setting aside what, we deemed, to be still more vital and essential business. . . . We were not prepared to devote any period of the session to a pure waste of time.’

15 others, withdrawn from sale, for which the highest offers only amounted to £363,400, had cost £611,000. The *Manchester Guardian*, an out-and-out supporter of our system, stated in 1889,—

‘Numerous farms in Essex, Suffolk, and Kent are absolutely idle, which once maintained a happy peasantry, and yet nothing is so certain as that the soil of these counties is the best in the world for the production of wheat, peas, beans, and root and fodder crops. The average yield of wheat in Sheppey on deserted farms was 50 bushels to the acre. The American average is 13 bushels to the acre. A farm of 340 acres on Sheppey, which was bought for £16,000, is now offered for £3400. A farm of 260 acres near Chelmsford, in Essex, is offered at £7 an acre. There is no sign of national decadence so mournful or so certain as this—that the farmer’s business is no longer possible in these places. The climate is suitable, the soil is fertile, the people are in want, and yet they may not stretch out their hands for the divine bounty. The institutions are human and not divine which have brought this to pass, and they must be mended, or they will make an end of us. Forsaken husbandry was a sign of falling Rome, and it is one which ought to arouse our patriotic solicitude in England.’

The returns of live stock raised in the United Kingdom have been as follow:—

	1870.	1880.	1893.
Cattle,	9,235,052	9,871,153	11,207,554
Sheep,	32,786,783	30,239,620	31,774,824
Pigs,	3,650,730	2,863,488	3,278,030

These figures show some increase, but from the rapidity with which the imports of meat and beef are growing, there is every reason to fear, that the raising of live stock will soon become as unprofitable as the cultivation of wheat. These have, on the average been, annually, as follow:—

1873-77.	1878-82.	1883-87.	1888-92.	1893.
769,212.	1,589,558.	2,171,352.	4,119,851.	4,749,494 Cwts.

If there is one point on which all are agreed, free traders and protectionists alike, it is that, under no circumstances, shall the raw materials of industry be taxed. What is land, but the raw material of industry? Yet free traders, who sneer at the fiscal policy of the States, with strange inconsistency, have not a word to say against our not only taxing the land, but taxing it to an extent, far in excess of that borne by other industries, which are not taxed on their raw materials at all. The monstrous injustice of our policy was shown by Mr Goschen in his budget speech of 1880. He said,—

‘Last year I stated, that farmers under Schedule B might claim to be assessed under Schedule D, as traders, but most of them found a difficulty, because they did not keep accounts. About 160 farmers availed themselves of it, and whereas, under Schedule B, they were assessed at £22,000, under Schedule D, they only paid on £2900.’

That is, that all, save these 160, were made to pay seven times and a half more than in common fairness they ought!¹ Here is a tax on the people’s food. If it is true, that there never was a tax, which was not paid by the consumer, it follows that those taxes on land, raised by their amount the price of wheat, which, but for them, would be so much cheaper,

¹ It was shown in an article in *Blackwood*, July 1894, that the taxes on land were in 1893, on the average, four and a half times greater than in 1840, in some cases six times, and as if that was not enough, we have now the enormous addition to the death duties, which will still further curtail the spending power of the landlords, and necessitate the dismissal of labourers and others heretofore employed by them.

or about 3s. 6d. a quarter less, by which amount, the price is artificially raised for the benefit of the foreign importer, which can on no principle of justice be defended. In the name of common sense, why don't we take these taxes off the land, or at all events greatly reduce them, and put duties, to at least an equal amount, on foreign food imports? On the free traders' own showing, the one would neutralise the other, and food be no dearer than it is.

We have seen that in the middle of the century, and for some time thereafter, the freight and shipping charges amounted on the quarter of wheat to 10s. 6d., which added to the cost of inland transit, vastly greater than now, in foreign wheat-growing countries, afforded our farmers sufficient security. The enormous reduction since in freights, insurance, etc., wheat being now carried from Chicago to Liverpool at 1s. to 2s. a quarter, and from the interior in the States for a halfpenny per ton per mile, has deprived them of this protection.¹ Now that it has vanished, it seems but just, in the interest of the nation generally, which cannot afford to see its agriculture extinguished, that it should be restored by the imposition of import duties. The revenue therefrom, would enable us to relieve the agriculturist of much of the taxation with which he is so unjustly loaded. He would again return to wheat cultivation, and the

¹ Some time ago we saw freights to the Clyde by the Atlantic liners quoted at—grain, 8d. per quarter; flour, 6d. per cwt., and provisions at 10½d. per cwt. These rates it was said, 'though low, marked some improvement, as several weeks before grain had been carried free as ballast.'

labourer to the soil, from which Free Trade has so cruelly divorced him.

It is contended, that if the landlords and the farmers have suffered, cheap food has been a great blessing to the masses, and much cant is talked about 'taxing the people's bread.' Apart altogether from the displacement of his labour, a careful examination into the cost of living of a working man, compared with what it was forty to fifty years ago, shows that, while he is now paying less for his bread, the gain is more than lost to him, by the higher prices he is paying for his meat. The average prices paid for the 4 lb. loaf, supplied by contract to the Seamen's Hospital, Greenwich, which we have only been able to obtain down to 1885, and the prices of beef, of the quality consumed by the working classes, as sold in the Metropolitan Cattle Market, were as follow :—

1836-45.	1846-55.	1856-65.	1866-75.	1876-84.	1885-92.	
6½d.	6¾d.	6½d.	6½d.	5¾d.	...	4 lb. loaf.
4½d.	4¼d.	6d.	6½d.	6d.	4¾d.	beef per lb.

They are now paying 5d. for their loaf. It is more difficult to get at the price they pay for their meat, but so far as we have been able to ascertain, it is not, owing to the excessive profits, exacted by the middleman, under 8d. to 9d. per lb.¹ We shall assume that

¹ In 1893, the author found in Berwickshire that working men were actually paying the butcher 10d. per lb. for their beef, and 5d. to 5½d. for the loaf.

The *Irish Farmer's Gazette* quoted prices as having been in 1850 and 1885 as follow :—

they are to-day paying 8d. against 5½d. in 1836-45, when the middleman was content with less exorbitant profits. If we allow a working man 2½ loaves a week, and three-quarters of a lb. of meat per day, as allowed to our soldiers, we find his expenditure on these two items alone, wholly irrespective of the much higher prices he now pays for his butter, cheese and eggs, annually, worse off to-day by £1, 19s. 6d. than he was in 1836-45.

	1836-45.	1885-92.
2½ loaves, per week, at 6½d., . . .	£3 11 9	£2 14 2
¾ths of a lb. of meat, per day, at 5½d., . . .	6 5 7	9 2 8
	<u>£9 17 4</u>	<u>£11 16 10</u>

So much for the cheapness of food. How comes it, that while in the chief countries in Europe, duties on wheat range from 6s. to 14s., per quarter,¹ and the

	1850.	1885.
Average price of Two-year-old cattle, .	£4 0 0	£7 0 0
Do. One-year-old cattle, .	1 5 0	4 0 0
Do. First-class milch cows, .	12 0 0	20 0 0
Do. Inferior, „ .	6 0 0	11 0 0
Do. Oats, per cwt., .	0 5 6	0 10 0
Do. Fat pigs, „ .	1 15 0	2 6 6
Do. Fat sheep, „ .	2 5 0	3 5 0
Do. Butter, „ .	2 18 0	4 10 0
Do. Lambs, . . .	1 2 6	2 10 0
Do. Hay, per cwt., .	0 3 0	0 5 6
Do. Eggs, per long hundred, .	0 4 6	0 11 3

In addition to these facts, whilst beef prices fell largely in 1885, the maximum of prices was still 50 per cent. higher than in 1850, and the minimum 33 per cent. higher.

¹ The duties on the quarter of wheat, levied by the chief countries in Europe, were in 1892, as follow :—Germany, on imports from countries with which she has commercial treaties, 8s. 5d., non-treaty countries, 10s. 10d. ; France, 8s. 9d., and if imported from European entrepôts, 14s. 1d. ; Spain, 14s. ; Austria, 6s. ; and Italy, 8s. 9d. The duty on wheat in France has since been raised from 5 to 7 francs per 100 kilog.

prices of wheat are higher, nowhere is the loaf, as shown by the consular reports, dearer than in England? The answer is to be found in the action of the middlemen, who, under our system, which places the producer at their mercy, are able to combine, and charge the consumer what they please. The latter have here a real grievance, in comparison with which, the wrongs, erroneously supposed to have been inflicted on them by the Corn Laws, were trifling in the extreme.

A quarter of wheat yields, on the average, one sack and a third of flour. The sack of flour ought, therefore, as it usually is, to be three-fourths of the price of the quarter of wheat. A sack of flour gives on the average 100 4 lb. loaves—with wheat at 30s., per quarter, and the sack of flour (280 lbs.) at 22s. 6d., the cost of the flour in each loaf is $2\frac{3}{4}$ d., and if we allow a 1d. to cover rent, wages, rates, taxes, etc., including distribution, insurance, interest on capital and depreciation, we get $3\frac{3}{4}$ d. as the total cost of the 4 lb. loaf, or with wheat at 40s., $4\frac{1}{2}$ d. A duty of 10s. a quarter on wheat, equal to 7s. 6d. on the sack of flour, even if paid by the consumer, which, as we have shown, would only in part be so—one portion coming out of the pockets of the middleman, and another out of those of the foreign producer, would only amount to about $\frac{3}{4}$ d. per loaf.¹ During the years 1866-75, the

¹ 'Notwithstanding the low prices of home-grown wheat, there has at present been no reduction in Kent in the price of bread. In most towns the charge at the shops is 11d. and 1s. per gallon (8 lb.), but in the villages the price is only 10d., while at co-operative stores best flour is being sold at 9d. per gallon.'—*Standard*, 21st Sept., 1892.

' . . . With reference to the comparative prices of wheat and bread,

loaf averaged $6\frac{1}{2}$ d., the quarter of wheat 54s. 7d. and the cost of the loaf as nearly as possible 6d. The bakers' profit was thus a halfpenny per loaf, against to-day, with the price of the sack of flour at 17s. 6d., at which it was quoted at the end of 1893, nearly 2d. With such profits earned on baking, it need not surprise us to hear, of a large retail bread company paying in 1887 a dividend of $22\frac{1}{2}$ per cent., and that the £1 share was quoted at £5. Nor is this all the consumer has to bear. Owing to its requiring less water to be added to it in baking, but 90 to 94 loaves can be obtained from a sack of British flour, while 100 to 105 are obtained from a sack of foreign. Loaves from the latter thus contain so much less nourishment. The baker, who gets ten more loaves out of the sack, for which the consumer only gets water, naturally prefers to use foreign flour.

The public, rich and poor alike, suffer even more at

I find that, the average price of wheat, during the last three months of 1861, was over 60s. per quarter, and that bread was then $6\frac{1}{2}$ d. to 7d. per 4 lb. loaf.'—Mr BEDDALL, *Times*, 23d Sept., 1892.

'At the meeting of the Birmingham Workhouse Committee yesterday, the general question of the price of bread was raised, upon a statement by the Chairman of the Board, as to the cost of making bread at the Workhouse for relief purposes. It appears that the actual cost of the bread, including all charges, was $3\frac{1}{3}$ d., and that the price charged the committee was $4\frac{1}{2}$ d. It was urged that this gave a fictitious profit, which benefited nobody, while tending to keep up the market price of bread outside. A warm discussion followed, in the course of which several members said that they were paying 6d. a loaf for bread of similar quality.'—*Scotsman*, 25th Nov., 1893.

In December 1893 the price of good baking flour averaged 17s. 6d. per sack, which makes the cost of the flour in each 4 lb. loaf $2\frac{1}{10}$ d., and its total cost a little over 3d. Yet nowhere, so far as we can ascertain, save at the working men's co-operative stores, is it retailed at less than 5d. or $5\frac{1}{2}$ d.

the hands of the butcher and meat merchant. The farmer, whose stock has often to travel long distances to market, and if returned unsold, would suffer in condition, to an extent, it would take weeks to repair, is absolutely at their mercy. He is forced to sell at the best prices he can get, of which 'the rings' are not slow to take advantage, and woe to him, should he attempt to take an independent line, and cater for the public direct. In fact, it is only the farmer competing against the foreigner, which keeps prices where they are; as the home supply diminishes, and the imported increases, we are more and more placed at the mercy of the middleman. Beef and mutton fell in value in 1892, 20 per cent., but until the autumn of that year, when the price was only lowered $\frac{1}{2}$ d. per lb., or 5 per cent., no reduction was made to the consumer. Formerly the butcher was content with the 'offal' as his profit. Now he must have his 3d. to 6d. a lb. in addition. In 1887, 'a retired Sussex farmer' wrote to the *St James's Gazette* the following letter, which met with no reply from the other side:—

'Some years ago, I used to get 9d. a lb. for my sheep by the carcass, and the butcher used to supply my family with joints at the same price as I received from him, his profit consisting, according to the custom, which then prevailed, of the 5th quarter, *i.e.*, skin, head, heart, loose fat, and other parts, technically called "offal." The same in the case of beef; the butcher's entire profit being derived from the hide, horns, fat, etc. Henry Stephens in his work, *Book of the Farm*, says, "In purchasing fat live stock, the butcher is supposed to pay the market value of the carcass, bone and meat, to the farmer, reserving the 'offal' to himself for his profit and risk. . . . In the case of the Southdown, for example, the meat including

bone is about two-thirds, and the offal one-third of the whole weight." The "offal" at that time was worth 8s. to 10s.'

Referring to the above, 'A Northern Landlord,' wrote, 'The farmer in no case gets more than 6d. a lb. for the primest beef and 5d. for lower qualities. The best joints ought, therefore, to be retailed at 7d. and steak at 8d., while the secondary parts for stewing, etc., should be bought at 4d. to 5d. Yet in 1887 the best joints were sold at 1s. and steaks at 14d. to 16d. per lb., which prices do not show the whole profit of the middleman, for they do not take into account "the offal," a good profit on itself. That the butcher should, while the prices obtained by the farmer have been going down, have been able, by now and again quietly adding a $\frac{1}{2}$ d. to the price of meat, is incredible. Yet the fact may be ascertained by anyone, who will take the trouble to compare the prices of the London dead meat market, with the butcher's bills.'

Major Craigie, director of the Intelligence Department of the Board of Agriculture, estimates that 1000 head of cattle yield 67 tons of beef; 1000 sheep, 12 $\frac{1}{2}$ tons of mutton; and 1000 pigs, 70 tons of pork bacon and hams. On this calculation, we had, in 1893 available for consumption, a total supply of all kinds of meat, 1,377,473 tons, and of foreign and colonial, after deducting the exports, 486,950; in all, 1,864,423 tons, equal to 109 lbs. per head of population.¹ If, excluding pork, bacon and hams, we take only the total supply of cattle, sheep, beef and meat 1,409,052 tons, equal to 82 lbs. per head of population, and assume that the consumers are only charged 3d. per lb. more than they should be, we find the overcharge amounts to no less a sum than £39,453,456, annually.

¹ Mr Harris in *The Economist*, 5th February, 1887, gives the yearly consumption of wheat and flour in the United Kingdom as 350 lbs. per head. In France 500, and in the United States 450 lbs. per head. Of all kinds of meat 109 lbs. per head in the United Kingdom, and in the United States 140 lbs. per head.

The same sort of thing occurs in the case of milk, butter, and cheese ; 1s. 4d. per gallon may be reckoned as the usual retail price of milk, 8d. of which goes to the milk dealers and 2d. to the railway company, leaving only sixpence to the producer. Butter, for which the producer has been paid 10d. per lb, and often less, is retailed in towns at from 1s. 4d. to 1s. 6d. The profits on cheese are on the same scale. One Lancashire firm was reported to have made £150,000 in one year by buying up all the cheese exported from America to this country, and raising the price on arrival 2d. per lb. In regard to these gigantic monopolies, free traders are silent ; and why ? *Because there is no political capital to be made out of them, as there was in the case of the landlords, and with the whole army of middlemen against them, it might cost them votes.*

It is said that there has been a great improvement in the condition of the agricultural labourer, but as pointed out by Mr Porter,¹ and in the *Statistical Account of Scotland*, not only had that improvement been going on under protection, but it has since 1850 been as great, if not greater, in other countries, while with us, it may be clearly traced to the demand for labour, during the construction of our railroads, and the general prosperity of our industries down to 1875. Rates of wages have until recently, owing to the

¹ Mr Porter in *Progress of the Nation*, page 153, referring to a report laid before the House of Commons in 1833, says, 'Everywhere the condition of agricultural labourers is stated to be visibly amended ; while towns in agricultural districts, which are dependent on the farming interests, have uniformly improved in extent, and in every other circumstance, which indicates prosperity.'

scarcity of labour in agricultural districts, which forms one of the great difficulties of the farmer, been well maintained, but, having regard to the serious losses now being incurred on agricultural produce, it is unlikely they can much longer be so. A time must soon come, when no longer able to compete with these ever-increasing foreign importations, farmers must get cheaper labour, or go down in the unequal struggle. The amount of acreage laid down under corn, will be governed by the prices the farmer can obtain for his produce. Free imports unduly depress these, and in proportion, is the land thrown out of cultivation, and the agricultural population, our best class of recruits, diminished. There is no industry which so much conduces to health and strength, and that our race is deteriorating from this cause, is proved by the fact, of our having, in recent years, to reduce the standard of height and chest measurement of our recruits. Wages, being a third of the cost of production, while rent is only one-fifth, now often a good deal less, the labourer has even a greater interest, than the landlord, in the prosperity of agriculture. How can it seriously be contended, that a system, which has thrown out of cultivation 3,500,000, to 4,000,000 acres, which gave employment to four to five times the number of hands required on grass land,¹ has reduced the annual value of agricultural produce £100,000,000, and so

¹ 'Every acre of wheat in this country pays £2 in direct and £1 in indirect labour. There is, therefore, a loss to the labouring class of £3 on every acre that goes out of tillage. There is also a loss to the tax-paying and rateable value of the country by English land becoming of very small value.'—MR HARRIS.

enormously impoverished their employers, has improved the condition of the agricultural labourer? It may on the contrary be asserted, that but for it, his wages would, to-day, be higher than they are. Other classes have suffered as well. The manufacturers of agricultural implements, the manure merchant, the village carpenter, blacksmith, grocer, clothier and the shopkeeper in towns, in fact all with whom the farmers and labourers dealt, have seen their trade decline from the reduced spendable power of those who were their best customers.¹ Mr S. B. L. Druce in his evidence before the Royal Commission on the Depression of Trade, said,—

There has, recently, been a marked want of purchasing power in the agricultural world, which has had a serious influence for the worse on agricultural engineering. In fact, the British farmer has had so little money to spend in purchasing new, and reinstating his old machinery—that the home trade has practically gone to the dogs—and of late years the English engineers have had to look to foreign countries for their customers. There are individual cases of local traders, in villages and small towns, within my own knowledge, who have been absolutely obliged to give up their businesses, entirely through the depression. The local tradespeople, more especially those in the larger towns, as well as blacksmiths, wheelwrights, and others in the villages—whose principal customers were the farmers—had also suffered loss.

And the Free Trade majority in their report say,—

¹ 'If the productiveness of land were increased, the condition of the labourer bettered, and more remuneration obtained by him for his toil, the effect would be that the agricultural population would have so much money to spend, and there would be a wider and steadier, and more active demand, for the things which manufacturing towns produced.'—Mr MORLEY, Oldham, 1891.

‘(21) We received from Sir James Caird, and other witnesses, ample corroboration of the serious effect which the great depression in the agricultural industry has produced upon the home trade of the country. There is little divergence of opinion as to the cause of that depression. The extreme lowering of prices, brought about by the extension of American farming, appears to be the main factor.’

It is a great truth, which, though it forms no part of the free traders’ creed, should never be forgotten, that when one class of the community suffers, all the others suffer with it. Low prices spell dearth to the working classes. Every quarter of wheat we import, displaces so much labour, which is all the labourer has to sell. Every week’s enforced idleness is a week’s wages lost, not only to the worker, but to his country, for he has so much less to spend, which would have given employment to others.

The co-operative system, so detested by the shop-keeper, is directly the outcome of this free foreign competition. The industrial classes, who failed to see why they should continue to pay high prices to the mere distributor of foreign goods, which so ruthlessly cut down their profits, gladly welcomed a system, which enabled them to curtail their private expenditure. These distributors, who cannot form rings, like the butcher, or the baker, are now beginning to find in the dulness of trade, that their interest lies, not so much in the mere ability to buy cheap, but rather in the ability to find customers, and that a system, which hands over our custom to a foreign country, will not in the end benefit them, any more than the home producer. A nation’s wealth consists

in what it produces. By as much as the wealth, which has been created from the soil is reduced, by so much is the national income diminished. In the struggle for existence, working men have largely availed themselves of the co-operative system. Misled by agitators, they regard capital as their enemy. Yet, we do not find that in the management of their societies, they practise the principles they would fain see applied to the individualist manufacturer, but, as was stated at the meeting of the Co-operative Congress, in 1893, they not only go into the market for the cheapest labour they can get, but their employees have to work for longer hours, and less wages, than the dockers; thus following out the teaching of the Cobden school, to sell their labour in the dearest market and buy in the cheapest. The public must not be allowed to get labour as cheaply as it can, but the moment the wage earner comes into the position of an employer of labour, he, like the capitalist, asserts his right to the benefit of free competition.

The millers have suffered nearly as much as the farmers. The *Fair Trade Journal*, of 24th June, 1887, stated that, notwithstanding an increase in the population of 40 per cent. since 1857, there were in 1887 only 20,000 employed in milling, a falling off, since 1851, of 45 per cent. Formerly, this industry was one of the few which flourished in Ireland. Now, a good deal more than half of the flour, which is there consumed, comes from abroad. Sir Eardley Wilmot's Select Committee on Irish Industries reported that, — 'Within two miles of Newry, no less than nine

flour-mills were standing idle, bran and pollard, being too bulky for import, had, in consequence, much risen in price, which pressed heavily on the farmers. In Londonderry twelve mills had been closed.’¹ Mr R. A. Wordie, who owned the largest mill in Newry, stated to the committee,—‘Five years ago, I put up one roller plant, to enable me to try and live. It succeeded well for a time. I was induced to put up a second roller plant, which is now standing idle, owing to the undue competition of American flour.’ Free traders asserted that the deplorable state of the Irish milling industry was due to defective machinery, but, no less a sum than £150,000 had, it appeared, been expended in the county of Cork alone, in setting up the latest and best machinery, notwithstanding which, many of the millers had been forced to close their works, entailing a loss to the wages fund of £20,000 per annum; worse still, some English millers, who had been carrying on an extensive business, have transferred their plant to Germany, in order to escape the heavy taxation and dear labour here. Instead of their wheat coming to Liverpool and London, they have it sent direct to the Continent; and further, it was stated, that the whole of their flour is shipped to this country. It will be seen from the following figures, how rapidly the imports of wheatmeal and flour are increasing.

¹ The ‘offal’ of wheat is most valuable to the farmer. If it were not for the production of bran, a bye-product of wheat, which the American millers have not yet found a means of compressing, milling in this country would, probably, by this time have shared the fate of the glove industry.

1852.	1862.	1872.	1882.	1892.
3,865,173.	7,207,113.	4,388,136.	13,057,403.	22,106,009 cwts.

Between 1875 and 1880 the acreage under hops was, on the average, annually, 69,428 acres. In 1892 it was only 56,259 acres, a decrease of 13,168 acres. Mr Brookfield, M.P., showed that the cost of growing an acre in hops was, in 1892, as follows:—

Rent, Tithe and Taxes,		£2 10 0
600 Poles (at 10s. per 100),		3 0 0
'Creosoting' ditto (at 3s. per 100),		0 18 0
Manure,		4 10 0
Labour (picking and drying a 'full' crop),		15 1 0
Labour (cultivating),		9 4 0
Expenses of Drying (coal, charcoal, etc., also bags, bin-cloths, carriage, factor's commission, etc.,		6 8 0
Total Outlay per Acre,		<u>£42 11 0</u>

We have here on the 13,168 acres, thrown out of cultivation, a loss to labour, of no less a sum, annually, than £319,324. In 1861 the duty on foreign hops was £2, 5s. per cwt., and on home produced, an excise duty of 14s. per cwt.; but as this was too much for the righteous soul of Mr Gladstone, who,—regardless of the effect on home industries, has always had a mania for abolishing duties, which operated against the foreigner,—he in 1861 reduced the duty on foreign hops to 14s. and shortly, thereafter, abolished both duties. During the five years, 1856-60, we imported, on the average per annum, 23,767 cwts., and during 1889-93, 194,955 cwts. The loss of revenue has, as every one knows, in no way benefited the consumer, but has simply been a gift to the brewers, and the foreign importer, to the great detriment of all engaged in hop cultivation.

Of the many curiosities of the system, there is, perhaps, none which will compare with that of the treatment meted out to the cultivators who attempted to resuscitate the growing of tobacco, an industry, which, it will surprise many to hear, at one time flourished in this country, to such an extent, that in Cromwell's time, it was, in the interest of the growers in the Virginia plantations, with great difficulty suppressed by the Government. At a conference of those interested in again starting it, it was shown that, tobacco can be produced in this country at 1s. 8d. per lb., but that, the Government on being appealed to, to grant some relaxation of the duty, 3s. 2d. per lb., had replied, 'They would not be justified,'—even to give it a trial,—'in extending to home-grown tobacco, greater privileges than those now granted by the customs to imported.' Yet they allow the free import of foreign corn and meat; heavily tax these produced at home, and deprive the poor man of the chance of getting his tobacco, at something under the exorbitant price, he now has to pay. You may tax him, but you may not tax his food. The information, laid before the conference, in regard to the experiments made, was of a satisfactory character, but it was stated that, the jealousy and restrictive regulations of the Government, which insisted on charging 3s. 2d. a lb. of duty, as on imported, formed an insuperable difficulty. Mr Kains Jackson said that, he had produced 400 to 500 lbs., which having become mouldy, he thought might be turned into a wash for roses and hops.

'In due course of time he had notice from the Inland Revenue,

that he must either pay duty upon the tobacco, or destroy it within a month. On pointing out that he could not tell whether it would turn out good or bad in that time, he was allowed two months. At the end of that time the Board sent an officer, who was certainly an extremely ignorant man, to destroy the tobacco. Unfortunately, he was himself in Ireland at the time. The officer, it appears, poured on the 400 lbs. of tobacco, which had cost him so much trouble and money, a quantity of creosote, rendering the tobacco completely waste and unfit for either washing, or any other purpose—not even manure. The officer used about 25s. worth of his (the speaker's) creosote, and had applied it in such a way that, he would be put to considerable cost in cleaning the shed, in which the operation was performed. There, the lot of tobacco lay, destroyed in this ruthless manner; and, though it might have been of use for washing purposes, it was now completely spoiled.'

In March 1884, Mr Childers, the Chancellor of the Exchequer, when asked by Lord John Manners, as to whether he would be prepared to allow the agriculturists of the United Kingdom to grow tobacco for sale, said,—

'At that time—1779 to 1830, when tobacco was allowed to be grown in Ireland—the Free Trade rules, which are the basis of our legislation, were not so well understood, and the tobacco grown in Ireland was not subject to duty. Of course, now, if the permission were restored, the tobacco would have to pay an excise duty, and a countervailing customs duty. . . . I therefore, after the fullest consideration, have come to the conclusion that it would not be possible to allow the growth of tobacco in this country.'

The extraordinary reasons given for taking off the shilling fee on corn, were nothing, compared to this entirely new exposition of the Free Trade principle, namely, *that when it was not so well understood, no duty was charged. Now, that it is the basis of our legislation, 'the tobacco would have to pay an excise duty and a countervailing customs duty!'*

It will be generally admitted, that the agrarian question is the cause of the whole Irish difficulty. The discontent, induced by agricultural distress, the result of our fiscal policy, in a land, where such a large proportion of the population is engaged in agricultural pursuits, has been the groundwork on which the agitator has worked. It is very certain, that if Home Rule were conceded, one of the first measures which an Irish parliament would pass, would be one for the protection of Irish industries. Not only were we told so by Mr Parnell, but, as we have seen, we have it on the authority of Mr Chamberlain, that when Mr Gladstone introduced his first Home Rule Bill, he was quite prepared to grant to Ireland the power to impose protective duties. Here is Ireland's real grievance. Between 1815 and 1824 she exported, on the average annually, to Britain, 1,203,578 quarters of grain and flour, and between 1835 and 1844, 2,806,550 quarters, an increase of 133 per cent.¹ The decrease since in the cultivation of arable land in Ireland is shown by the following figures :—

	1869.	1893.
Wheat Land, .	281,117 acres.	54,988 acres.
Other Corn Crops, .	1,926,853 „	1,434,405 „
Potatoes, .	1,041,837 „	723,536 „
Other Green Crops, .	427,058 „	429,991 „
Flax, . .	229,178 „	67,444 „
	<u>3,906,043 acres.</u>	<u>2,710,364 acres.</u>

or, a falling off, of no less than 1,195,679 acres, against which, we have to place an increase in grass land, of 1,128,967 acres. If, but a half, of the almost

¹ See Porter's *Progress of the Nation*, page 345.

daily accounts that are published of the preparations now being made for increased importations of live and dead meat are true, the prospects for the Irish farmers are dismal in the extreme.

And what are the remedies, proposed by the free traders, for this alarming state of agriculture in Great Britain and Ireland? We are told that the land laws must be reformed—large estates must be broken up and that rents must be reduced. Where is the farmer who believes that his position will be improved by his becoming, under present conditions, the owner, instead of the occupier, of the land he cultivates? Will any conceivable alteration of the land laws, or further reduction of rents, convert agriculture into a profitable pursuit? On the contrary, the interest on farming capital, which would be sunk in the purchase of land, and the yearly outlay for repairs, etc., would represent a sum much in excess of what he now pays in rent. Last of all, we have the quack remedy of peasant proprietorship, so admirably exposed by Mr Sutton in his letter to *The Times* of 2d September, 1892.

‘The suggested dividing up of a properly-equipped, wheat-growing farm, with all its complicated buildings and implements, and its conversion into any number of little peasant holdings, to be farmed under the most primitive conditions, is no less absurd, than would be a cry that the great cotton mills of the north should be pulled down, and that cottages should be built with the materials, each containing a hand-loom. One thing is certain, that should so retrograde a step be taken in agriculture, then, when every 500-acre farm so divided, now represented by only one vote, will be able to speak with 50 or 100 votes, the demand for protection will, in England, as in every other country, be irresistible. Only then the primitive methods of farming

in force, will need far more protection than the present high farming requires, and such a revolution in agriculture will have been accomplished, only after untold suffering for the labourers and the waste of millions of money, now invested in buildings and machinery.'

Nor, would the labourers be the only sufferers. As pointed out by Mr Poynter, there are 150,000 landlords, who probably employ, on the average, 10 servants each, or 1,500,000, exclusive of 20,000 labourers employed by them at £1 per week, who would all have to emigrate, or find other employment. Propound what nostrums we may, this much is certain, that nothing in this world can save agriculture from ruin, but a return to protection. Ruin, which will involve that of the other industries of the country, the prosperity of which, even John Bright tardily admitted, so largely depends on its being in a healthy condition. There are in the United Kingdom 9,000,000 to 10,000,000 of people directly, and 6,000,000 more, indirectly depending on agriculture: when the Cobdenites wish, that 'he may live to see the day when wheat will be selling in his native land at 1s. per quarter' has been attained, what are we to do with them? This is the problem, we have now to face, and which is not to be solved by nonsensical cant, about the blessings of cheap food, which an unemployed people have not the means of purchasing. We shall never, of course, see wheat at any such price, but, so long as we stand with open ports to receive the over-production of the world, prices of all kinds of farm produce are bound to remain at a level, under which agriculture cannot exist in this country.

Most serious of all, is the danger to Britain from her dependence for food supplies on foreign countries, apparently regarded by her with indifference, and wholly ignored by the Royal Commission on the Depression of Trade. That dependence is much greater now, than it was during the Crimean War. *Our home production of wheat and flour is much less than half of what it then was, and we have 11,000,000 more of population to feed. Yet, though we retained command of the sea, that war sent up the price of wheat to 74s. 8d.* What would its price be to-day, when we never have more than a few weeks' supply, were we at war with France? and what would be the position of our working classes, deprived of employment, through even a partial stoppage of the raw materials of industry, which we imported, in 1893, to the value of £109,000,000?

We have had the good fortune, since 1815, to escape, save in our conflict with Russia, being involved in a quarrel with a European Power, but is it wise to allow the immunity of the past to blind us to the possibilities of the future? 'It is the unexpected which always happens,' and signs are not wanting in the political horizon, to warn us, that we cannot trust to escaping in the future, as we have done in the past. A combination of two first-class Powers, such as Russia and France, against this country, is no longer regarded as improbable, but as matter for grave anxiety. Were such to occur, and our weakness invites it, it is by no means certain, under the altered conditions of naval war-

fare, we should be able to retain command of the sea. Were it lost to us, our insular position, in the past our strength, would then prove our weakness. Our ports blockaded, we should be starved into accepting any terms the enemy might choose to dictate. Such is the ever-growing danger, with our population increasing at the rate of 340,000 per annum, and home supplies of food annually decreasing, which now confronts us. It was Rome's great weakness in the days of her decline. God grant it may not prove to be ours. *Quem Deus vult perdere prius dementat.*

‘No nation can pretend to independence, which rests for any sensible portions of its subsistence, in ordinary seasons, on foreign, who may become hostile, nations. And if we would see a memorable example of the manner, in which the greatest and most powerful nation may, in the course of ages, come to be paralysed by this cause, we have only to cast our eyes on imperial Rome, when the vast extent of the empire had practically a free trade in grain with the whole civilised world, and the result was, cultivation disappeared from the Italian plains; that the race of Roman agriculturists, the strength of the empire, became extinct; the legions could no longer be recruited, but from foreign lands; vast tracts of pasturage overspread even the fields of Lombardy and the Campagna of Naples; and it was the plaintive confession of the Roman annalist, that the mistress of the world had come to depend for her subsistence on the floods of the Nile.’—ALISON'S *History of Europe*.

Referring to the defeat of our fleet off Beachy Head, by the French in 1690, Lord Wolseley, in his *Life of the Duke of Marlborough*, Vol. II. page 141, says:—‘The story of these events deserves to be well considered, since it is a common article of belief, and one that is held by some able men, that England can have nothing to dread, so long as she has a strong fleet between her and France. Some even go so far as to denounce all expenditure upon a home army, as a wicked waste of public money. It is well to remind such that, sea, wind, and weather are uncer-

tain elements, upon which wise men may well hesitate to base calculations, involving the safety of an empire. The accidents, to which in the nature of things, a fleet must always be exposed, are so many and so appalling, and they are now greater than ever, that no master of the great theory of war—which is common to all fighting combinations, whether by sea or on land—would dream of committing the safety of a great European State solely to its navy. This is more than ever the case now, that war ships have grown to such immense proportions, have become so enormously costly, and require such a long time to build. Naval supremacy is, undoubtedly now, far more than ever, the most precarious form of national strength.'

Those who feel so confident that we should still be able to maintain our superiority over France at sea, as we did between 1793 and 1815, should read Mahan's '*The Influence of Sea Power upon the French Revolution and Empire*,' when they will find that we were then favoured by circumstances, especially as regards the want of skill and training of French officers and crews, certain never again to occur.

CHAPTER VII.

Emigration of Manufacturing Capitalists—Retaliation—Our Vast Bargaining Power—Retaliation has not failed in Other Countries, Why should it fail in our Hands?—Great Value of our Home Trade—British Industries—Trade Depression worse in this Country than Abroad—Fiscal Policy of the United States—Great Advance of the United States under Protection—Mr Blaine's Controversy with Mr Gladstone—Sir Charles Dilke on Protection in the Colonies—Germany's Fiscal Policy—Her Prosperity since she raised her Tariff.

THE dazzling prospect was held out to the manufacturers, that by stifling manufacture in America and on the Continent, unrivalled and abiding prosperity would be brought to Manchester. They did not foresee that, so far from the abolition of the Corn Law enabling them to attain their object, one of its direct results would be, to greatly aid in 'nursing into full activity' the foreign competition, they so liberally subscribed their money to crush—that a day would come, when many of their own number, finding it practically impossible, for Britain to 'fight hostile tariffs with free imports,' would be driven from the land of their birth to seek the ægis of protection in a foreign land. This movement, one of dark omen for the future of our trade, owing to its being silently at work, with no

Board of Trade Returns to show its magnitude, has not received the attention it deserves. While, everywhere, we meet here foreign agents, striving to push the sale of their wares, there is not, so far as we know, even one instance of a foreign manufacturer transferring his works to this country. Why should he? By manufacturing abroad, he retains his own market, with its cheaper labour, which, did he come here he would lose, while by remaining where he is, he has both markets. Other nations strive to keep their people at home, and as a means, they foster in every way the interests of the producer, and wisely leave the consumer to his fate. We do all we can to drive our people from us. Sir Lothian Bell in his presidential address to the Iron and Steel Institute in 1873, clearly foretold what was coming; he said,—

‘ . . . Cottons, woollens, rails, machinery will be produced as heretofore, and in overflowing measure; they may be even produced by Englishmen, or by men of English race, as now—but they will be produced by them, not in Lancashire, Staffordshire, Lanarkshire, or Yorkshire, but on the banks of the Ohio, at the foot of the Alleghany, or it may be even in more distant quarters still. . . . Commercial affairs flow for long in old channels, run long in old ruts; but when once they begin to leave the old ways, the new current they have chosen is not easily arrested or turned back. . . . All that is essential is that the transfer from the old scenes to the new should be easy and should be timely. Labourers and artisans will grow redundant here, but America, Australia, and New Zealand are clamouring and starving for them. . . . One evil remains, the way of escape from which, I confess, I do not see; in all emigration that is not official and either assisted or forced, it is the energetic and capable who go, and the lazy and inefficient who remain behind. During the long weary process, therefore, we shall be losing the

best of our artisan and agricultural population, and keeping the worst. . . .’

We have here a loss to our country of numbers of its richest, and most enterprising manufacturing capitalists, who, taking with them the pick of their artisans, have gone to enrich a foreign nation, to teach them the secrets of our trade, and how to compete with us, while they themselves become shippers to the land which drove them to emigrate. There is no feature of our system, which more emphatically condemns it. If production be the source of all industrial wealth, it is of itself decisive of the question. Brains and capital will go, where the best return is to be found, and if, as free traders contend, our fiscal policy provides the freest scope for the exercise of both, how does it arise, that so many of those, whom it is said to benefit, flee from it, to get under the sheltering wing of the one, so directly opposed to it? The following are but a few of the cases which have occurred. Mr Porter, of the United States Tariff Commission, reports to his Government,—

‘I found shoddy manufacturers from Bathy and Dewsbury established in Aachen, Prussia; Lancashire and Scottish spinners in Rouen; Leicestershire hosiery manufacturers in Saxony; Yorkshire wool-combing establishments in Rheims; Dundee jute mills in Dunkerque; all-wool stuff manufacturers in Roubaix; English iron and steel mills in Belgium; and English woollen mills in Holland. Removing English capital to the Continent has secured a profitable home market, while England was near with widely open ports to serve as a “dumping ground,” to unload surplus goods, made by foreign labour, superintended by English skill. In this way the English markets are swamped, and her labour undersold.’

Priestly & Sons, of Bradford, have established mills

in Philadelphia, removed all their looms, and taken the best of their skilled operatives with them. Finlayson, Bousfield, & Co., of Johnstone, linen-thread manufacturers, have established works in Massachusetts; and Messrs Coats and Messrs Clark, two of the largest and best-known thread manufacturers of Paisley, have manufactories in the States. Mr James Willing, the London advertising contractor, has set up works in America for the production of his enamelled iron tablets.

In 1886 the firm of Messrs Marshal & Co., established 100 years ago in Holbeck, Leeds, and the largest flax-spinners in Europe, owing to keen competition from abroad, closed their works, and have gone to establish new mills in Massachusetts, taking with them their capital and many of their old hands. They employed 4000 workmen, who are thus thrown out of employment. It is said 70,000,000 of yards of linen were spun daily in their works.

Mr Jacoby, M.P., another manufacturer, who has opened a branch in Germany, said in a speech at Alfreton,—‘When Prince Bismarck put up the duties on cotton goods and lace curtains, it was impossible for these goods to be made in Nottingham. I therefore opened a house in Germany’; on which *The Times* remarked,—‘Owing to foreign duties, it is more profitable to send Nottingham machines abroad and work them there, than to continue working them at home.’ Here is an actual free trader, who represents in the British Parliament a constituency of working men, employing foreign labour, to the direct

injury of his long-suffering constituents. Yet those constituents stoutly resist the idea of free trade in labour! Strange, they cannot see that, labour performed in a foreign country, is vastly more injurious to their interests, than if done in their midst. We saw it lately stated that, the firm with which the late Mr John Bright was connected has a branch in America. The Mundellas have hosiery works in Saxony, where they obtain skilled labour at one penny an hour. Can we wonder that gentlemen like the Jacobys, Brights, and Mundellas, who pose as friends of the working man, are 'free traders to the backbone.' *Manifestly import duties would not suit them.*

The following instances have occurred since the passing of the M'Kinlay Tariff,—'A new town is about to be created in Pennsylvania by English capital. A number of cotton manufacturers, at Oldham, have determined to transplant their business to an appropriate site in Pennsylvania, where coal mines abound, and have purchased 650 acres of land upon the main line of railway, on which they intend erecting several cotton mills, each employing about 600 hands, 30,000 spindles and 1000 looms. They propose to take over to the States their factories, instead of their products, just as the thread manufacturers did, and no doubt, many of the hands they now employ will accompany them. Besides the mills, 500 houses are to be built the first year, and charters have already been procured to supply the town with water, gas and electric light and power. The new town is

to be called Oldham.'—'Sir Titus Salt, Bart., Sons & Company, of Saltaire, Bradford, in consequence of the prohibitory effect of the M'Kinlay Tariff, have decided to start the manufacture of plush in America. Mr Shad, the chairman, sails for the States next week, to supervise the establishment of the new concern.'—'The representative of a large gingham manufactory in Scotland has visited West Port, Connecticut, to seek a site for a factory. The gentleman explains that owing to the new tariff, the removal of the business is necessary.'—'Messrs Wilkinson & Company, of Beeston, near Nottingham, have decided to transfer a portion of their lace machinery to the States. They will also undertake the manufacture of plush, on which the new duties are practically prohibitive.'—'A group of English financiers are conferring with senators and officials here on the subject of the establishment of plant for the manufacture of heavy ordnance'; and a Reuter telegram adds:—'An English syndicate have just purchased the South Boston iron works, one of the largest concerns in the country, for the manufacture of heavy ordnance.' The Custom House of New York are now passing 500 tons of plush machinery from the mills of Messrs Smith & Kauffman, of Bradford. They will manufacture here, in consequence of the M'Kinlay Tariff rendering the duty prohibitive on goods made in England.'—'Hind & Harrison, from Lister & Company, Bradford, have started the manufacture of plush.' *Since the American competition in plush and silks, first begun in 1885, prices have fallen 40 per cent.*

Mr Russell stated at a meeting of the Chamber of Commerce in Manchester, 1st November, 1886, that, 'as early as 1853, some members of the Cobden Club started a mill in France, which had grown to large dimensions; what suited these gentlemen to preach in public they were careful not to practise in private. The Mundellas, after vainly waiting for twenty years to see if foreign countries would go in for Free Trade, had turned their business into a limited company, and then established large works in Saxony.'

Free traders assert, that were we to revert to protection, foreign countries would retaliate by adding to their tariffs. These are, however, already so high, but little room is left them to inflict further injury on us in this respect. They are not in such matters actu-

	Exports to			Imports from
	Of Domestic Produce.	Of Foreign and Colonial.	Total.	
	£	£	£	£
Russia, .	5 Millions.	3 Millions.	8 Millions.	10 Millions.
France, .	15 "	6 "	21 "	44 "
Germany, .	18 "	12 "	30 "	26 "
Italy, .	6 "	1 "	7 "	3 "
Spain, .	4 "	1 "	5 "	11 "
Belgium, .	7 "	6 "	13 "	17 "
Holland, .	9 "	7 "	16 "	29 "
U. States, .	27 "	14 "	41 "	108 "
	91 Millions.	50 Millions.	141 Millions.	248 Millions.

ated by a spirit of revenge, but simply by what they consider to be for the interest of their people. Our home market, as the figures, on the preceding page, for the year 1892, prove, is of much greater value to them than theirs is to us.

As foreign and colonial exports, compared with those of domestic produce, give but a trifling amount of employment to our industrial classes, they may be left out of the account. We have also, for reasons to be presently given, to deduct £31,000,000 of coal and machinery. On the other hand we have to exclude from the imports £29,000,000 of raw cotton from the United States. There are thus only £60,000,000 of exports, on which foreign countries, if so inclined, could increase their tariffs, against £219,000,000 of their imports, or a power of retaliation three and a half times in excess of theirs.

Did we but choose to exert the power we possess, the probability is rather, that, as they constantly do with each other, they would hasten to concede terms of a much more favourable character than it is now in our power to obtain. Had we a fiscal union with our dependencies, based on Free Trade within our great empire of 350,000,000, and protection against the world without, we should have a bargaining power, which, as other countries cannot afford to lose our custom, would place us in a very different position from the one of utter helplessness we now occupy. The enormous value of our trade to the United States is seen from the following table for the year 1893, recently published by the United States Agri-

cultural Department. Excluding cotton, we took no less than £43,000,000 of their agricultural products (against £66,000,000, taken by other countries), exceeding by £16,000,000 our exports of domestic produce, to them in 1892 :—

Year ending 30th June 1893.	Exports.	Of which the United Kingdom took
	Million Dollars.	
Cattle,	26	Over 25
Beef Products,	28	24
Pork Products,	84	53
Maize,	24	9
Wheat,	93	58
Wheat Flour,	75	48
Cotton,	168	99

Let the reader try to imagine what the effect would be, of our imposing heavy duties on these £53,000,000 of agricultural products, and at same time intimating to the States, that we were prepared to reduce these, when they granted an equal reduction on the duties they now levy on our manufactures. The farmers, who depend so much upon us to relieve them of these surplus products, would at once insist on their Government coming to terms with us, which, to judge from the eagerness it has shown, to enter into commercial treaties with other countries, who have much less to give, it would be ready to arrange. It is to no purpose to say, the States would send

their products elsewhere, for as we have remarked, not only would other nations raise their duties, rather than see their agriculture share the fate of ours, but the American shipper would have considerably higher rates of freight to pay, than he now has to Liverpool and London. The mere mention of such a scheme of commercial union has created alarm in the States. The San Francisco *Argonaut*, after giving a glowing description of the grandeur to which, were it carried out, the British Empire might attain, said, 'it would be the heaviest blow ever inflicted on American commerce.' Another American journal remarked,—

'The purpose is to form a Federal union. That means a great deal more than appears at first sight. A union for political and defensive objects would be a big thing, but there is another idea involved that is of even more importance. An Empire of States with a population of 300,000,000, capable of producing everythnig under the sun, and governed by a commercial Policy of Free Trade among themselves, but Protection against all the rest of the world, would mean such a revolution of trade and commerce as history has never yet been called upon to record. That is precisely what the statesmen of England are aiming at. That the idea was taken from this country is very probable. The New Britain would, so far as its commercial policy is concerned, be an almost exact counterpart of the United States. What would be its effect upon us? At one fell swoop we would lose more than half our customers. At present England and her Colonies purchase from us considerably more than all the rest of the world combined. Our principal market for cotton and cereals would be gone, and how much that means need not be told. India, Canada, and Australia—to say nothing of Egypt—could easily supply England with all the wheat and cotton she needs. We should be simply receiving the measure we have long meted out. The possibilities of the idea grow as we contemplate it. The future of the English-speaking people—who can set bounds to it?'

In 1867, the Portuguese Government concluded a treaty with France, with the avowed intention of compelling us to alter our alcoholic scale. It was in vain we protested and appealed to the fourth article of the treaty, which secured to us favoured nation treatment. On the 15th May, 1872, our consul, Mr Brackenbury wrote to the Foreign Office :—

‘The Franco-Portuguese Treaty of Commerce has been the death-blow to many British manufactured articles of a nature to compete with French goods. From this cause British imports of cotton, woollen, and silk stuffs, and ironmongery, had sustained a serious falling off, and German goods have to a great extent superseded articles of the same kind, which were formerly imported almost exclusively from England.’

Portugal afterwards concluded treaties with Austria and Germany, under which their products were charged duties, in some cases three to four times, under those charged us.¹ The United States but recently concluded a treaty with Brazil, by which the latter admits American products, at rates 20 to 25 per cent. under those we have to pay, and the States have a treaty with Germany whereby the former, in return for the latter admitting its cereals free, admits free German beetroot sugar. Down till 1892, Liverpool had a trade with Cuba and other Spanish dependencies in cleaned rice. Under the new Spanish-American Treaty, Cuban sugar is admitted free into the States, and the rice of the latter, free into Cuba, which levies a duty of £3, 10s. per

¹ It was not till 1876 that the Portuguese Government, finding that British goods were, under a false designation, being imported into Portugal from other countries, these were admitted at the same duties as that of the favoured nations.

ton on all rice coming from England. As Lord Beaconsfield so truly remarked, 'Diplomacy steps in to weigh and adjust contending interests; our commerce with Europe could only be maintained and extended by treaties.'

In reference to our utter helplessness, as to these serious impediments to our trade, Lord Salisbury said,

'It is simply an act of fiscal war. War is a bad thing, but it is our only way of defending ourselves against this wrong. Why is it wrong to do it in dealing with your fiscal matters, as well as in any other international relation? *What I desire to impress on you is, that under cover of this fetish worship of a set of doctrines that are called Free Trade, but which are not Free Trade, you are excluded from these acts of self-defence, and that so long as you are thus excluded, you may sigh in vain for justice in fiscal matters.*'—Manchester Chamber of Commerce, 20th October, 1879.

On another occasion he said,—

'Now, in the address which has been placed before me, we are recommended to try and foster the interests of commerce by the conclusion of treaties which shall remove the fiscal obstacles which are now arresting the flow of commerce. Undoubtedly it is our duty to do so, and undoubtedly we shall make the utmost efforts we can wherever we have the materials in our hands; but we are in the position, the well-known position, of being asked to make bricks without straw. We have to open the doors to the access of trade when the keys have unfortunately been thrown away by the mistakes of our predecessors.'

Past experience thus shows, that so far from Free Trade preventing heavy duties from being charged on our exports, it has had precisely the contrary effect. Other countries, seeing us so wedded to it, naturally conclude they have nothing to fear, and may impose, so far as we are concerned, any duties

they please. Our position was very aptly described by Lord Beaconsfield in 1843.

‘My idea of Free Trade is this, that you cannot have it unless the person you deal with is as liberal as you are yourself. If I saw a prize-fighter encountering a galley slave in irons, I should consider the contest equally as fair as to make England fight hostile tariffs with free imports. Such a policy would be financially of the most disastrous kind, and its immediate consequence would be tariffs more hostile to England.’

But even more extraordinary than this cowardly fear of retaliation, is the insane clause in our treaties with Germany and Belgium, by which we have bound our colonies to give us no advantage on the rates of duty they charge these countries, which applies to all countries with which we have a favoured nation clause; that is, a Free Trade Government says to its colonies, ‘We prohibit you from charging us lower rates of duty than you charge Germany and Belgium!’

The vice of the system lies in our concentrating our attention on foreign and colonial commerce, while we wholly ignore internal trade. It is unfortunate that we have no reliable statistics of the latter; but if we take the proportion of the production of coals and pig-iron, after deducting the export, and of the goods conveyed from place to place at home, to what is exported to our colonies and foreign countries, we find our home trade exceeds our colonial and foreign ten times. Our colonial trade is more than two-fifths of our foreign; if we leave the export to British possessions out of the account, the foreign is seen to be less than one-

fifteenth of our home trade! and it is for this insignificant and rapidly decaying part of our trade, we, under the cowardly fear of what other nations might do if we employed retaliation, persist in maintaining a system, which attracts to our shores the over-production of the world, to the ruin of our industries and national impoverishment, on the principle, apparently, that no industry should be allowed to live in England if another nation can undersell it.¹

The following average annual exports show that our trade with our own possessions is growing more rapidly than with other countries.

Total Exports.	1874-78.	1888-92.	Per Cent. Increase.
To Foreign Countries,	£192,282,000	£218,308,000	13½
To British Possessions,	74,492,000	90,327,000	21

The rapidity with which imports of the following manufactured articles are increasing, will be seen from the table on the following page.

While our industries under protection advanced with rapid strides, the results of unrestricted competition have been very different. Sugar refining, once a prosperous industry in this country, has, by the large imports of beetroot sugar, induced by the bounty system, from Germany, France, Holland and Belgium been well-nigh extinguished. In 1892 we imported refined sugars to the value of £9,063,928, and of unrefined £10,706,909, in all £19,770,837, of

¹ Some time ago *The Times*, in a special article on our trade, said,—‘that the profit on our foreign trade was so infinitesimal when compared with the total national income, that, if done away with altogether, it would be no fatal or irreparable disaster. What then have we to fear by employing retaliation?’

Description.	1862.	1872.	1882.	1892.
	£	£	£	£
China, Porcelain & } Earthenware, }	not stated.	263,389	596,202	656,884
Glass,	400,752	1,206,668	1,679,325	2,434,450
Iron and Steel } Manufactures, }	202,565	1,158,017	2,474,898	3,034,692
Lead, Pig and Sheet,	460,536	1,529,042	1,266,999	1,976,436
Tin,	508,919	1,154,570	2,538,577	2,743,814
Zinc, crude, in Cakes,	321,806	299,689	708,877	1,102,591
„ Manufactures, .	136,018	327,310	396,936	463,031
Paper, Printing or } Writing, . }	297,544	578,837	331,928	425,928
„ Other than } Hangings, . }	not stated.	393,373	870,977	1,946,628
Petroleum, . . .	349,987	433,472	1,721,019	2,446,906
Cotton Manufac- } tures, . }	741,523	1,488,897	2,239,860	2,812,059
Woollen „ . . .	1,174,583	4,038,666	5,982,449	6,015,962
Total,	4,594,233	12,874,930	20,808,047	26,059,381

which there came from these four countries alone, £8,737,878 of the former, and £5,451,465 of the latter, or together £14,189,343; while of unrefined cane sugar we only received from our West India Colonies £1,730,360, which, coming in a raw state, gives much more employment for our people. In consequence of these foreign imports, four-fifths of our refiners have had to abandon their industry, and

find other employment. Of 30 loaf sugar refineries, which in 1864 refined 200,000 tons annually, there is not one now in existence; and what have these four powers taken from us in the way of return trade? In 1892 they took of foreign and colonial produce, which gives little or no employment to our working classes, £31,374,398, and of domestic produce, £48,048,993, in all £79,423,391, against £115,080,756, we purchased from them as follows:—

	Exports of Foreign and Colonial Produce to	Exports of Domestic Produce to	Imports from
France, . .	£6,650,456	£14,686,894	£43,519,130
Germany, . .	12,058,402	17,583,412	25,726,738
Holland, . .	6,794,902	8,836,020	28,820,921
Belgium, . .	5,870,638	6,942,667	17,013,967
	<u>£31,374,3898</u>	<u>£48,048,993</u>	<u>£115,080,756</u>

When Lord Salisbury's Government tried to get these bounties abolished, France stipulated that all should agree to impose countervailing duties on sugar, imported from any country, which should continue the bounty system, but, though a select committee of the House of Commons reported in favour of France's stipulation being complied with, the proposal encountered so much opposition from the Free Trade faddists, the negotiations had to be abandoned; and so another industry has been sacrificed to the Free Trade fetich, at no matter what cost of individual suffering, men thrown out of employment, ruin to our West India Colonies, and loss of national wealth. All this may be in accordance with economic truth, as expounded by the modern Free Trader, but

it is not business, nor, we venture to say, the principle on which he conducts his private affairs.¹

Our consumption of sugar now amounts to 79 lbs. per head of population, three-fourths of which has the benefit of bounties of £2 per ton. In 1864, 97½ per cent. of the consumption was of cane, and only 2½ per cent. of beetroot. In 1883, after 20 years of bounties, the proportions were, 58½ of the former and 41½ of the latter. Now the import of cane, consumed in this country, is only about one-fourth. On the 531,210 tons of refined beetroot sugar imported in 1892, the consumers are supposed to gain by the bounty £1,062,420, but, taking wages at one-third of the cost of production, and irrespective of the loss to the employers of their capital sunk in works, now lying idle, there is a loss on these 531,210 tons to labour, annually, of £3,000,000, and it is more than doubtful if even the consumer has gained, for, it is well known, that the sweetening power of cane sugar is so much greater, it goes nearly twice as far as the inferior beetroot, which, however, helps to swell the Board of Trade Returns, and enables the officials to triumphantly point to the increased consumption per head, as another indication of the growing prosperity of the masses.

¹ When slavery was abolished, £20,000,000 were voted as compensation to the sugar planters, yet we thereafter admitted on the same terms slave-grown sugar, as that coming from our own colonies. In 1831 our West India Colonies produced 4,103,800 cwt. of sugar, and we received only 583,216 cwt. of foreign. In 1848 the production of the former had fallen to 2,797,376, and the imports of slave-grown sugar, risen to 2,051,233 cwt. This was suppressing the slave trade!—(See *Quarterly Review*, 1849).

No industry has suffered more from our system of free imports than silk manufacture. The French Treaty of 1860, which abolished the duties on silks, has, as the following figures but too clearly prove, virtually destroyed it.

Imports of raw silk.

1854.	1862.	1872.	1882.	1892.
£6,454,357.	£9,824,148.	£7,825,180.	£2,792,057.	£984,054.

Imports of silk manufactures.

£1,979,242.	£6,398,562.	£9,429,121.	£11,174,573.	£11,412,263.
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In Coventry, where 40,600 persons depended on it for their living, there is not more than one-fourth of that number now employed. In London, including Spitalfields, the number has fallen from 60,000 to 4000, and in other districts a similar, though not quite so great a falling-off, has taken place. It has been said that, this extraordinary decline in silk manufacture, has been caused not so much by the abolition of the duties, as by the superior technique, superiority of design, and greater readiness of the French in meeting the fashion of the day; but the Exhibition of English silks at the Society of Arts in 1892 completely disproved this contention, which was further refuted by the evidence given before the Royal Commission on the Depression of Trade. Mr Birchenough said, in reply to a question put by Lord Iddesleigh,—

‘We are, I think, in every respect superior to our rivals, French and Swiss; both superior in make, superior in the manipulation of the material, and superior in colour and design; but they undoubtedly beat us in price.’

Here again the consumer has not gained, for these

French silks are but too often fraudulently weighted with tin and other substances, an art, in which the French have acquired great skill. It was shown in the 3d volume of the 2d Report of the Commission, that a half of the weight, which the consumer believes to consist wholly of silk, is in reality not silk at all. An instance was given of a lady having purchased a piece of black silk at 20s. per yard, the warp of which, when examined by the witness, Mr Wardle of Leek, was found to be weighted up to 20 ounces per lb. and the weft to 36 ounces per lb., the actual cost being only 5s. 4d. per yard. Honest British silks are excluded from France by high duties, while we admit free, to the destruction of a valuable home industry, these fraudulently weighted French fabrics, for, we need scarcely add, that notwithstanding this evidence, nothing has been done, lest it should infringe the 'sacred' doctrines of Free Trade!

Even in cotton manufacture, of which for long we almost held a monopoly in foreign markets, not only is our supremacy being challenged, but cotton manufactures are now being imported in yearly increasing quantities into this country. The latest returns show that, since 1875 France has increased her consumption of raw cotton 30 per cent.; German Empire, 81 per cent.; Austria-Hungary, 107 per cent.; Italy, 400 per cent.; Spain, 79 per cent.; Belgium, 90 per cent.; while Great Britain has *decreased* between 1875 and 1893, 5 per cent. Such is the result of the policy which was to divert foreign countries from manufacture, to grow corn for the English market!

Time brings its revenges. In the earlier part of the century the natives of India, with their looms in every village, wove their own cotton cloths, and muslins of the finest texture. These were displaced by the more cheaply produced manufactures of Manchester, and the weavers were ruined. Now the Indian cotton mills are driving the stouter Manchester cloths out of the Indian and other Eastern markets, and with their cheap labour, they may yet undersell Manchester in the home markets. So rapidly is this industry increasing, there were in India, in 1893, 3,576,000 spindles, against in Great Britain 45,270,000.

It is the same with all other industries, subject to this ruinous foreign competition. Sir Theodore Martin six years ago, when addressing a meeting of miners, stated that, owing to Spanish competition mainly, 169 lead mines had been shut up in this country, throwing 30,000 men out of employment, and causing ruinous losses to capitalists, who had invested enormous sums in opening these mines and providing machinery. A similar fate awaits pig-iron producers, for Spain now imports hæmatite pig at lower prices than we can produce it.¹ Iron girders, steel rails, window-frames, sashes, shutters, doors, staircases, coffins even; wardrobes, cabinets, chairs, pianos, and all articles required for furnishing purposes, are now being largely sent from abroad. Lord Masham, who created by his inventions three new industries, on the working out of the machinery for which he spent £600,000, said, in replying to an

¹ In 1892 we received from Spain 568,294 tons of iron ore.

address from his workmen: 'The Germans having got my velvet looms, sent velvets to London, and I had to cover up all my velvet looms forthwith. *It was not a question of reducing wages, but of stopping looms. If I had paid no wages, I could not have competed with the Germans. Fortunately, I had turned most of my trade to plush; but the same thing might happen to plush, for with the present Free Trade policy we are never safe.*'

Manufacturers have largely abandoned manufacture, and joined the great army of distributors of foreign goods, while others, who still continue it, have largely reduced their production and opened warehouses, in which a large portion, often the bulk, of their stock consists of imported articles. 'Why,' they ask, 'should we be at the expense, risk and trouble of manufacturing, when we can buy cheaper, ready made, all we require from the agent of a foreign house?' Meanwhile those, who have sunk their capital in plant and machinery, must carry on this weary struggle as best they can.

In defence of our policy it is said that if trade is bad with us, it is in an equally depressed state in other countries. It is undoubtedly true that trade, owing to the depreciation of silver and other causes, is everywhere at the moment in an unsatisfactory condition, but these have been general in their application, and have little or no bearing on a comparison of the industrial advance of the different nations. This contention was refuted by the evidence taken by the Royal Commission on the Depression of Trade, and

is further negatived by the following table, from which it will be seen that, with the exception of France, other countries, between 1875 and 1891, inclusive, have been more rapidly increasing their exports of domestic produce than we have—that while they have advanced on the average 47 per cent., we have only increased ours 11 per cent., and if we exclude coal and machinery, only 4 per cent.

EXPORTS OF DOMESTIC PRODUCE, IN MILLIONS.

	1875.	1891.	
Germany,	£125	£159	27 per cent. inc.
Holland,	45	94	109 „ „
Belgium,	44	61	39 „ „
France,	155	143	8 „ dec.
Russia,	60	72	12 „ inc.
Austria,	55	66	20 „ „
United States,	104	182	75 „ „
United Kingdom, . . .	223	247	11 „ „
Excluding U.K. exports of Coal and Machinery, .	204	212	4 „ „

	1850.	1875.	1891.
Coal exported, .	£1,284,224.	£9,658,088.	£18,895,078.
Machinery exported,	1,042,066.	9,058,647.	15,817,515.

As coal and machinery are imported by foreign countries, chiefly for the purpose of manufacturing goods, they formerly bought from us—that we are parting with coal, which cannot be reproduced, the price of which is kept up by this foreign demand,

still further handicapping our industries, in exchange for commodities which, under a wiser national policy, we should have been producing, this increase in the export of coal and machinery is not in reality a benefit to the nation, but rather the reverse. We have thus since 1874 only an advance, on which we can justly congratulate ourselves, of 4 per cent., and even this disappears when viewed in connection with the increase in population, shown by this table taken from the *Statistical Abstracts*.

EXPORTS OF DOMESTIC PRODUCE PER HEAD OF POPULATION,
IN POUNDS.

1870	£	s.	d.	1875	£	s.	d.	1880	£	s.	d.	1885	£	s.	d.	1890	£	s.	d.
1870	6	7	11	1875	6	16	6	1880	6	8	10	1885	5	18	4	1890	7	0	7
1871	7	1	7	1876	6	1	3	1881	6	14	0	1886	5	17	2	1891	6	10	10
1872	8	1	9	1877	5	18	11	1882	6	17	2	1887	6	1	3	1892	5	19	2
1873	7	18	10	1878	5	13	8	1883	6	15	4	1888	6	7	2	1893	5	9	6
1874	7	7	9	1879	5	11	8	1884	6	10	6	1889	6	13	11				

The United States and Germany having, since 1875, so largely availed themselves of the protective system, it is important we should see how they have fared under it, especially as regards the former, which after giving a fair trial to Free Trade, have finally abandoned it, and that we should carefully note the reasons, which have guided both countries in the framing of their commercial policy.

In 1789 the first Congress passed a tariff bill 'for the protection and encouragement of manufactures, that duties be levied on goods, wares, and merchandise

imported.' In 1790 these duties were $2\frac{1}{2}$ per cent., but as it was found, owing to the high price of labour, and the superiority of foreign goods, they did not afford sufficient protection to manufactures, and a period of commercial distress having occurred in 1809, Congress ordered the reprinting of the official report of their great financier, Mr Hamilton, published in 1779, containing the following words, which the States have found so amply verified since they finally adopted protection :—

'But though it were true that the immediate and certain effect of a tariff was an increase of price, it is universally true that the contrary is the ultimate effect with every successful manufacture. When a domestic manufacture has attained to perfection, and has engaged in the prosecution of it a competent number of persons, it can be sold cheaper in process of time than the foreign article, for which it is a substitute. The internal competition which takes place, soon does away with everything like monopoly, and by degrees reduces the price of the article to the minimum of a reasonable profit on the capital employed. This accords with the reason of the thing and experience.'

In 1816 duties on imported goods were increased, and again increased in 1824 and 1828. In consequence of the storm these measures created in the South, a new tariff bill, known as the 'Compromise Tariff,' was introduced and passed in 1833. In 1840, a wave of great depression, which was ascribed to the 'Compromise Tariff,' having swept over the country, the protectionist party, which had made the tariff the principal issue at the presidential election in that year, passed, in 1842, a protective tariff bill, which got the credit of the prosperity which followed. The next presidential election resulted in the return of Mr Polk,

a Southern Democrat, and to the passing in 1846 of what was known as the 'Free Trade Tariff Bill,' which, as pointed out by Mr Blaine in the *North American Review*, started with everything in its favour.

'Never did any other Free Trade tariff meet with so many and such great aids of an adventitious character to sustain it. Our war with Mexico began just as our duties were lowered, and the consequence of that was, the disbursement of more than \$100,000,000, in a way that reached all localities. The Irish famine occurred, and called for an immense export of bread-stuffs at high prices. The discovery of gold in California flushed the channels of business in America by rapidly enlarging the circulation of coin. England, France and Russia entered on the Crimean war. The export of manufactures from England and France was checked, the bread-stuffs of Russia blockaded ; an extraordinary impetus was thus given to all kinds of trade in the United States. For ten years—1846 to 1856 — these adventitious aids came in regular succession, and exerted their powerful influence on the prosperity of the country.'

When the war came to an end, and with it a cessation of these adventitious aids, there came a change. President Buchanan, who had supported the passing of the 'Free Trade Tariff,' in his message to Congress, described the situation in these words :—

'With unexampled plenty in the elements of national wealth, our manufacturers have suspended, our public works are retarded, our private enterprises are abandoned, and thousands of labourers are thrown out of employment and reduced to want.'

Great discontent prevailed. It was shown that the 'Free Trade Tariff' was ruining the country ; that 'if foreign purchases had led to a decrease of home manufactures, there was no increase in the agricultural and other products exchanged for them, *and that both agriculture and manufactures had declined.*'

In 1851, President Fillmore, in his message to Congress, advocated the re-imposition of a low tariff, and in a subsequent message, he gave it as his opinion that—

‘By protecting the native manufacturing interest, the farmer would find a ready market at home for his surplus produce.’

This is the argument, fully borne out by experience, on which the American advocates of protection mainly rely, and by none more strongly held than the farmers, who are shrewd enough to see, that the fostering of industries in their midst, is likely to provide for them, at their own doors, a much larger market for their produce, than the foreign, which but relieves them of one-tenth of their surplus grain.

The Republican party came into power in 1860. The commercial and industrial depression having in no way abated, Congress very shortly after passed the ‘Morrill Tariff Act.’ It imposed high import duties, and though from time to time modified, has substantially remained in force to this day.

We hear in this country a great deal about the ‘Free Trade party in America, and of the speedy downfall of protection there.’ If these writers mean to assert that there is in the States a party which advocates the free importation of such commodities as they can internally produce (save the importers of foreign goods, who very naturally prefer these should be admitted free), no such party is to be found in the States. The Democratic platform puts this beyond question. While professing to ignore the levying of duties save ‘for revenue only,’ it contends that ‘these,

if properly adjusted, are quite sufficient to protect American industries, and the wages of the workmen from foreign competition.' It says,—

'The necessary reduction in taxation can, and must be effected, without depriving American labour of the ability to compete successfully with foreign labour, *and without imposing lower rates of duty than will be ample to cover any increased cost of production, which may exist in consequence of the higher rate of wages prevailing in this country.*' If this is not protection, thinly disguised under the term 'for revenue only,' it would be interesting to know what name free traders in this country give to it.¹

The appeal to the country at the presidential election before last, resulted in the return of the Republican party, which passed the M'Kinley Tariff. Its policy, which will be seen to differ from that of the Democratic party, only in regard to the amount of protection to be accorded to native industry, was described by it as follows:—

'That import duties shall not be for revenue only, but shall afford security to our diversified industries and protection to the rights and wages of the labourer, to the end that labour, as well as capital, may have its just reward, and the labouring man his full share in the national prosperity.' . . . It pledged itself 'to come at the inequalities of the tariff by such methods as will relieve the taxpayers without injuring the labourer, or the great productive interests of the country.' Nor is it, while carefully guarding the interests of producers, unmindful of those of the consumer. In a manifesto, published by the Republican committee on 6th October, 1890, they point out, that under the new tariff 'everything the like of which is not, or cannot be largely produced in this country, is placed on the free list, . . . on the theory that *the proper subjects of importation into a*

¹ See three most interesting articles in *Fair Trade*, 15th, 22d October, and 5th November, 1866.

well-ordered country, are not those articles its people can supply for themselves, but those they cannot supply, and that goods of this character should be brought to the consumer at the cheapest possible price,' that a duty on this class *'is a revenue duty and is paid by the consumer. In this respect it differs entirely from a protective duty, which is often wholly, and always largely, paid by the importer.* By its additions to the free list, then, the Republican party has left in the people's pockets a sum which last year amounted to more than \$65,000,000, and has opened our ports to merchandise, upon which the American consumer has heretofore been paying a tax which was last year imported to the value of \$365,406,000. The committee then proceed to show the advantage of the tariff to the farmers:—*'Whereas under the Mills Bill everyone of the farmers' products was placed on the free list, or with the affliction of a revenue duty, and almost all of their necessities heavily taxed, by the M'Kinley Bill increased protection has been accorded them for everything they have to sell, and lower duties established upon substantially everything they have to buy.'*

The M'Kinley Tariff, from the excessive duties imposed, far above what were required for the protection of American industries, was more of a prohibitive than a protective character. Though in this respect a worse tariff than the one it had replaced, it had one good point. It abolished duties to the amount of £13,000,000 on such articles as the States cannot internally produce, thereby relieving the consumers; and there is this very remarkable fact to be noted in regard to its action, that notwithstanding all the assertions in this country to the contrary, prices, as will be seen from the list given in the Appendix (F) of commodities, on which the increased duties were levied, actually fell after it came into operation. Again conclusively proving, that where imports have to encounter opposition from home products, a

duty does not raise the price, and not unfrequently lowers it.

Under the new (Wilson) Tariff, duties, ranging from 25 to 50 per cent., are to be levied. As it was introduced by the so-called Free Trade party, we may conclude, that so far from the States being on the high road, to what we understand by Free Trade, they are still wedded to protection, and, in spite of the Cobden Club's prognostications to the contrary, likely to remain so.

It will be seen from these extracts, the immense importance attached in America to the fostering of old and the development of new industries, and that, while every encouragement is given to these, the interest of the consumer is not forgotten. So keenly alive are they to this, it is a common practice to offer substantial inducements to manufacturers to come and settle in their midst. *The Times*, of 18th June, 1891, stated,—‘In the South, the great centre of Free Trade, they are offering freedom from taxation for ten to twenty years, for those bringing capital to invest in productive enterprises, and this by authority of the State law.’

But more extraordinary still, and what more immediately concerns us as an exporting country of manufactured goods, not only has the protective system in the States, from the keen internal competition it has engendered, greatly lowered the price to their consumers, but actually so reduced them, that they are able to undersell us in the Canadian market. Mr Blaine, in his controversy with Mr Glad-

stone in the *North American Review* in 1890, which, seeing how thoroughly Mr Gladstone was worsted, it need not be matter of surprise, was wholly ignored by the press of this country, for had the result been otherwise, we can well imagine with what a flourish of trumpets Mr Blaine's defeat would have been paraded. After drawing Mr Gladstone's attention to the fall in values since the Morrill Tariff became law, Mr Blaine asks,—

‘ If it is true, as free traders insist, that import duties raise the price to the consumers of all articles imported, by precisely the amount paid for such duties ; that not only are many articles much lower than when a Free Trade tariff allowed Europe to send so large a proportion of the quantity required, but actually lower than those current in the markets of Europe, while free traders are unable to cite instances in support of their contention.’ After referring to the enormous cheapening of steel rails, carpets, etc., he says, ‘ Indiarubber goods are protected by a duty of 25 per cent., but instead of being 25 per cent. higher in price than the foreign goods, they are in fact cheaper. They undersell the English article in Canada. Patent leather is subject to a duty of 20 per cent., but it is not, therefore, 20 per cent. higher than elsewhere ; on the contrary, it is cheaper. Five years ago, the city of London advertised for tenders for a large amount of patent leather, for the uniforms of the London police. The lowest tender was from an American manufacturer of New Jersey, who secured the contract. . . . Boots and shoes are subject to a 30 per cent. duty, but not only are they cheaper than European, but American boots and shoes hold the Canadian market.¹ Examples of this kind could be shown

¹ *The Times* of 12th January, 1878, said,—‘ In several parts of the world Americans undersell our own manufacturers.’

Mr Gladstone having described protection as ‘ barbarism,’ Mr Carnegie replied,—‘ Protection, as we have it, is a barbarism indulged in by every nation, and, to some extent, by the nation of the statesman who uses the word, and by all the component parts of that great Empire itself, except one trifling dependency. The “ barbarism ” of France,

on almost the whole tariff list ; in fact, the whole system of protection vindicates what Hamilton said of it, "*the internal competition which takes place, soon does away with anything like monopoly, and reduces the price of the article to the minimum of a reasonable profit on the capital employed.*" Mr Gladstone contends that, "keeping capital at home by protection is dear production, and a delusion from top to bottom." I take direct issue with him on that proposition. Between 1870 and the present time, more than 100,000 miles of railroad have been built in the States. The rail, and other metal connected therewith, involved so vast a sum of money, that it could not have been raised to send out of the country. The total cost has not been less than \$500,000,000. A very large proportion of the railway enterprises would, of necessity, have been abandoned, if the money to pay for the rails, etc., must have been sent out of the country, instead of being spent in it. But the manufacture of rails, etc., at home has given an immense stimulus to business. Tens of thousands of men have been paid good wages, and good investments and enrichments have followed the lines of the new roads, and opened up to the American people new fields for enterprise. I ask Mr Gladstone, what he would have us do with the labour of the thousands of American workmen, engaged in manufacturing rail, if instead of employing them, we had continued to buy the rail in England. Fortunately he has given us some indication, for he says that "In America you produce too much cloth and iron at high prices, instead of more cereals and more cotton at low prices." The grain growers of the West, and the cotton growers of the South, will observe, that he holds out to them a cheerful prospect. He asks that the protective system, which sustains our manufacturers, and so provides a steady market for our cereals and cotton, should be abolished, and that the manufacturers of cloth and iron should be abandoned, so that we may raise more "cereals and cotton at low prices," but where does Mr Gladstone suggest a market for the additional grain and cotton, to be raised by our

the "barbarism" of Germany, the "barbarism" of the United States, the "barbarism" of Canada and Australia, the "barbarism" of all the civilised world, Britain alone excepted ! Ah, well ! I remember it was my fellow-countryman, as Mr Gladstone is, who prayed, "O Lord, gie us a gude conceit o' oorself !"

mechanics leaving their trades, and becoming farmers and farm labourers, the foreign market being already filled with competing grain, the price of which is unduly lowered.'

Mr Blaine then notices, as of great value, an admission of Mr Gladstone. '*No adversary will venture upon saying that the profits are larger in protected, than in unprotected industries. The best opinions seem to testify, that in your protected trades, profits are hard pressed by wages.*' Yet we constantly hear it asserted on our side of the water, that protection in the States is maintained in the interest of the employers of labour, whom *The Scotsman* lately described as a 'selfish combination, who impose high tariffs for their own ends,' which it foresees 'must soon be broken to pieces by the force of a better instructed public opinion.' When it is borne in mind that the States have tried both systems,¹ their marvellous growth in industrial wealth, while we have no such progress to record, with nothing to advance in favour of the Free Trade system, but 'economic principles,' which, when brought to the test of facts, are found to be delusive and destructive to the industrial life of the nation, which clings to them, such criticism is simply ludicrous. It is not the case, that the large American fortunes we hear of, have been acquired in manufacturing. Mr Blaine points out that of the 'fifty largest fortunes made, forty-nine were acquired from

¹ An American said to the author,—'I have now been in your country three years. Amongst other things I have made a study of what you call your Free Trade system. I simply don't understand it. Seems to me you have allowed it to be a game of politics; *hope you won't change it, for it suits us down to the ground.*'

railway and telegraph investment, from real estate investments, from the import and sale of foreign goods, from banking, from speculations in the stock market, from mining shares, from patented inventions and from proprietary medicines; *that protection has proved a distributor of wealth, not an agency for amassing it in the hands of a few,* and he adds, with pardonable pride, 'Never before in the history of the world has comfort been enjoyed, education acquired and independence secured, by so large a proportion of the population in any country, as in the United States of America.'

The following table shows how rapidly we are being outstripped in the production of pig-iron:—

PIG-IRON PRODUCTION OF LEADING COUNTRIES.

	—Tons of 2240 lbs.—		—Metric tons of 2204 lbs.—		Total. 4 Countries.
	G. Britain.	U. States.	Germany.	France.	
1880—	7,749,233	3,835,191	2,729,038	1,725,293	16,038,755
1881—	8,144,449	4,144,254	2,914,009	1,899,861	17,102,573
1882—	8,586,680	4,623,323	3,380,806	2,039,067	18,629,806
1883—	8,529,300	4,505,510	3,469,719	2,067,387	18,661,916
1884—	7,811,727	4,097,868	3,600,612	1,855,247	17,365,454
1885—	7,415,469	4,044,526	3,687,433	1,630,648	16,778,076
1886—	7,009,754	3,683,329	3,528,658	1,516,574	17,738,315
1887—	7,559,518	6,417,148	4,023,953	1,567,622	19,568,241
1888—	7,998,969	6,489,738	4,229,484	1,683,349	20,401,540
1889—	8,322,824	7,603,642	4,387,504	1,722,480	22,036,450
1890—	7,875,130	9,202,703	4,658,451	1,962,196	23,698,480
1891—	7,228,496	8,279,870	4,641,217	1,897,387	22,046,970
1892—	6,616,890	9,157,000	4,793,003	2,022,989	22,589,882

While our production has declined 1,132,343 tons, the United States have increased theirs 5,321,809 tons; Germany, 2,063,965 tons, and France, 297,696 tons. The States have in the same years increased their steel production from 1,247,335 to 2,831,360 tons.

Will the most bigoted free trader assert that it would have been better for the States to have imported, instead of producing this iron and steel? which they have only been able to accomplish by protecting their manufacturers. Yet such, we have seen, is the view held by Mr Gladstone. Further, will it be contended that, had they trusted to foreign supplies, we should to-day, not only see the prices for all kinds of iron and steel manufactures as low as they are in the States, but *these actually being sold in our markets, often of a better quality, and at lower prices than we can produce them.* They are also large exporters of rifles, ammunition, clocks, watches, organs, pianofortes, joinery work, stoves, furniture, agricultural implements and machinery, tools of all kinds, locks, safes, etc. The advance of the States, since they finally adopted the protective system, has never been approached by any nation in the world. Between 1865 and 1890, they reduced their national debt from £650,000,000 to £200,000,000. Their population has increased from 31,000,000 in 1860, to 62,500,000 in 1890, and, as Mr Mulhall has shown in the following table (page 238), they were in 1888 by far the wealthiest nation in the world.

Between 1879 and 1889, inclusive, they increased their area under corn crops 21,527,981 acres, and between 1870 and 1889, their live stock has increased by 79,500,000 head. Rates and taxes on home production come to barely 5 per cent., with us to 12 to 12½ per cent. Nowhere is the working man better off. As we shall see later on, his cost of living is little

WEALTH OF NATIONS.

	Millions Sterling.										£ per Inhabit- ant.	Den- sity of Popu- lation per Mile.
	Lands.	Cattle, etc.	Houses.	Furni- ture.	Rail- ways.	Ships.	Mer- chandise.	Bullion.	Sun- dries.	Total.		
United States,	2,560	1,136	2,850	1,425	1,949	60	160	228	2,456	12,824	210	21.3
United Kingdom,	1,544	414	2,424	1,212	865	134	343	124	2,340	9,400	247	312.3
France,	2,688	541	1,704	852	570	15	155	328	1,745	8,598	224	187.2
Germany,	1,815	492	1,232	616	495	10	184	167	1,420	6,437	140	236.9
Russia,	1,507	853	701	350	314	7	59	53	1,245	5,089	55	2.6
Austria,	1,371	386	501	250	307	3	46	27	964	3,855	99	206.3
Italy,	1,182	223	394	197	138	8	47	33	741	2,963	100	279.8
Spain,	984	215	340	170	94	11	30	43	629	2,516	148	90.1
Portugal,	132	29	70	35	19	1	9	11	102	408	87	124.5
Sweden,	240	66	80	40	28	5	15	4	159	637	125	28.0
Norway,	100	27	17	9	7	12	8	2	61	243	122	16.1
Denmark,	217	57	40	20	10	4	13	2	41	404	230	146.8
Holland,	314	66	132	66	35	4	100	18	245	980	216	359.2
Belgium,	377	68	106	53	71	2	56	22	252	1,007	167	533.8
Canada,	282	80	127	64	151	6	21	4	245	980	196	...
Australia,	533	104	239	120	94	1	65	24	193	1,373	370	...
Cape Colony,	25	17	17	9	18	...	8	7	34	135	130	...

more than in this country, and his wages nearly double.

Surely a policy, under which such results have been possible, instead of being treated with contemptuous abuse, is one worthy of careful study in these days of keen competition, when old methods of transacting business have passed away, and an entirely new set of conditions have arisen, to which the old economic laws, by which we have been guided, are now found to be wholly inapplicable. Unsound in practice as they have been shown to be, so long as we were 'the great workshop of the world,' the mischief they did was not apparent, now, however, that other countries have since 1870 taken seriously to manufacturing for themselves, the case is widely different. They have now for the first time been fairly on their trial, with the result that one and all have abandoned them. The mystery is, how a shrewd, practical people ever came to adopt them.¹

That a duty on such imports, as a country can internally produce, does not, in course of time, add to the price the consumer has to pay, and has the effect of adding to the well-being of the working classes, is further proved by the experience of our colonies. Sir Charles Dilke, a free trader, says

¹ Referring to the United States, *The Times* remarked,—‘Some day the people of that country will recognise the futility of battling against economic laws, and will perceive the waste of national energy which protection involves. . . . The appetite for protection grows by what it feeds on, and that enterprise, which would not have been attempted if foreign competition had prevailed, has been brought into existence by the high duties.’ ‘Waste of national energy!’ how very comic. High duties then do stimulate enterprise.

in his work, *Problems of Greater Britain*, Vol. I. page 252,—

‘Victorian workers of all classes, and, in some degree, the workmen of all the Australian Colonies, now possess advantages which make Australia a workman’s paradise. High wages are there combined with cheap food. . . . Wages being, on the whole, nearly double what they are at home, and the cost of living not necessarily much greater, every man has clearly a good chance to save, and the majority to save considerably—with the result of a wide-spread prosperity.’

This is very much what the author found in the States and Canada, the cost of living being about 10 per cent., and wages 80 to 100 per cent. higher than in England. In the chapter on ‘Protection of Native Industries,’ in the 2d vol., after pointing out that protection is not only ‘strong, but growing,’ and that it had the support of many ‘extremely able and intelligent men, who were perfectly convinced protectionists,’ Sir C. Dilke states the fact—an awkward one for free traders—that in Victoria and free trade New South Wales, ‘the hours of labour are the same, the rate of wages of artisans substantially the same, and the cost of living about the same ;’ that—in spite of New South Wales’ much greater extent, and the advantages it possesses in its coal mines—‘Victoria, under a protectionist system, has developed an export trade about equal to that, in the same classes of goods, of the adjoining Free Trade colony—where Free Trade with difficulty holds its own.’ When the last census has shown the serious decline in the rate of increase of our population—largely caused by the depression in agriculture—the following strikingly reflects our own

position:—‘The increasingly powerful protectionist party of New South Wales point out that she imports more agricultural produce than she exports, and is dependent on the farmers of the other colonies for her food, while many men walk the streets of Sydney, wanting work, and there is fertile land in the colony waiting for the plough.’ They, the protectionists, say that ‘Victoria, with little over one-tenth the area of New South Wales, bears an equal population, and possesses a well-filled treasury; while New South Wales, with her vast territories, has experienced frequent deficits, under a policy of Free Trade.’ Sir Charles Dilke concludes by giving a flat contradiction to some of Lord Playfair’s statements, such as, that strikes are much less frequent and acute with us than in the Colonies, and that wages are higher in free trade New South Wales than in Victoria.¹ The whole chapter is most instructive, and, coming from the pen of a pronounced free trader, remarkable, for, while it bristles with conclusive arguments against Free Trade, we fail to find one in favour of it.²

If exception be taken to our selecting the United States for the purpose of comparison, the same cannot be urged in the case of Germany. Here, since she

¹ *Subjects of Social Welfare*, by Lord Playfair.

² When Sir John Macdonald was in England, he was waited on by a body of gentlemen who were anxious Canada should revert to a Free Trade policy. After patiently hearing them to the end, he said,—‘I know Canada; you do not. I know the marvellous change which has occurred since she adopted a tariff;’ and when concluding, he told them that ‘the proposals of the Fair Trade League to have free trade with our colonies and dependencies, and protection against the rest of the world, were in the highest sense patriotic.’

largely added to her tariff in 1879, we find, though to a less extent, the same rapid advance in industrial prosperity. If this, in spite of her crushing military system, is not due to protection, perhaps those who, notwithstanding all they see going on around them, still cling to the free trade nostrum, will undertake to show, in what way, had she adopted the policy of attempting to fight hostile tariffs with free imports, her prosperity would have been greater.

The first tariff law, affecting the whole of Germany, was passed in 1870, and amended in 1873. It was for revenue only, and not intended as a protection to native industry. In 1880 a new tariff, of an avowedly protective character, came into force, which was amended in 1885, and 1887 by a further increase of of duties. *The Board of Trade Journal* pointed out, that 'between 1861 and 1885, Germany had increased her output of pig iron seven times, her production of sugar six times, her consumption of jute thirty-two times, and saltpetre nearly seven times.' Since 1875 her population has increased from 42,727,372 to 49,428,470 in 1890, and her production of grain from 281,296,559 in 1880, to 341,531,623 in 1890; her wheat production in the same years rose from 46,151,721 to 55,708,481, and her exports of sugar from 1,344,850 to 7,502,265 per 100 kilogrammes. In 1880 the tonnage of the German steam merchant navy was 215,750 tons, in 1891 it was 764,711 tons. *The Economist* pointed out that, Germany had increased her exports in 1806, as compared with 1885, of silk stuffs, 22½ per cent. ; woollen goods, 8½ ; hosiery,

18 ; clothing, etc., 12 ; and lace and embroidery 54 per cent.

The Scotsman, which cannot be accused of a leaning towards protection, said in its issue, 1st September 1891,—

‘ One of the facts that strike the observant Briton, who spends a few weeks in the Fatherland, is the enormous advance in industry and wealth made by the Germans in recent years. We hear a great deal on our side of the German Ocean of the grinding taxation and financial strain brought about by the burden of military power, which the continental nations have chosen to inflict on themselves.’ After describing the vast improvement in Cologne since the war, it adds, ‘ The same traces of energy and prosperity, on an equally magnificent scale, are observable in many other towns, such as Frankfort, Aix-la-Chapelle, Dusseldorf, etc. Everywhere the creation of imposing buildings, railway stations, post offices, law courts, etc., as well as the re-construction of the old, cramped streets, and the addition of elegant suburban quarters, speak volumes for the material prosperity of the Fatherland. . . . Commercial enterprise has made enormous strides since the establishment of the Empire.’

If all this is not due to the protection of native industry, to what is it due? The Germans have clearly no doubt on the subject, for, writes Mr Strachey, Her Majesty’s *chargé d’affaires* at Dresden,—

‘ The ironmasters have been undeniably helped ; and protection, far from causing them to slumber on their successes, has stimulated them to take advantage of the newest and most approved constructive and metallurgical methods. . . . My summa summarum is, that plain facts flatly contradict the assertion of free traders that iron and steel have been injured by the reformed tariff.

‘ If it be asked what signs there are in Germany of that incipient Free Trade reaction which some of our politicians contrive to discern on the Continent of Europe, especially in the particular countries most wedded to protection, there can be no hesitation in replying that there *are none*.

‘The political constellations of the Empire, the highest personal influences, the most powerful industrial and commercial forces, some of the principal press energies, all are on the side of the existing system. The belief is widely diffused that the tariff reform of 1879 *saved Germany from a great ruin, and that that empire is now on the road to industrial greatness, perhaps to the succession of that hegemony which Great Britain, it is thought, now with difficulty holds in her hands. Protection is in the national air, and it will not be dissipated by foreign arguments, however accurately deduced from the axioms of scientific doctrine.*

‘Nothing indicates that the burden of protection laid on the population is oppressive, that national impoverishment is in process, or that saving and accumulation have been arrested. On the contrary, the imperial and local revenue receipts, the estimates of property liable to income-tax, and similar State and municipal returns, are symptomatic of fair public prosperity.’

CHAPTER VIII.

Do Imports govern Exports?—Absurdity of the Pound for Pound Theory—The Excess of the Import over the Export explained—Rapid Increase in the Import of Manufactures—‘Buy in the Cheapest and Sell in the Dearest Market’—Increase in Savings Bank Deposits smaller than in Other Countries—Pauperism, Apparent Decrease not Real—Less prevalent in Other Countries—Emigration—The Value of an Emigrant—Emigration from United Kingdom greater proportionally than from Other Countries—Loss to Labour from the Import of Cotton Manufactures—Wages—Income-Tax Returns misleading—Curious Free Trade Arguments—Commercial Federation.

THE growing excess of imports over exports, has been a subject of keen controversy, in regard to which, much dust continues to be thrown in the eyes of the public, well calculated to mislead those who have not given it their attention. It is maintained, that as all trade is barter, or, as stated by Mr Mongredien,—‘*Imports govern exports. Every pound’s worth of commodities purchased by us of the foreigner, compels a purchase by him in return of a pound’s worth of English goods.*’—this great excess need not create alarm, but rather satisfaction, as it only represents the large profit made by us on the exchange, and shows how rapidly we are growing in wealth. In other words, the greater the excess, the richer we shall become ;

conversely, the more foreign countries, such as the United States and Germany, send to us, and the less they take from us, the poorer will they be. Fortunately, we have the means of bringing this extraordinary proposition to the test of facts. In 1873, when prices were greatly inflated, we exported in all £311,000,000 and imported £371,000,000. If then, when we were making such large profits, and if these are paid for by imports, surely this was the year when the import should most largely have exceeded the export, but here we have only an excess of £60,000,000, while in 1893, a year of unexampled depression and small profits, the import exceeded the total export by no less a sum than £128,000,000! Or, if we take the average exports of the three years 1873-5, when again trade was vastly more remunerative than now, we find they were only exceeded by the imports, £75,000,000, against on the average of the three years 1891-3, when trade has been enormously depressed, £128,000,000! According to the Free Trade contention, we thus, during 1891-3 made annually £53,000,000 more profit on our exports than we made during 1873-5; and this in the teeth of the fact, that our exports have everywhere to squeeze through much heavier protective barriers, without any corresponding rise in prices. During the five years 1888-92, we exported to the United States £213,000,000 and received from them £485,000,000. Is it seriously contended that the difference, £272,000,000, represented so much profit, after paying the States duties, left in the pockets of our pro-

ducers, when, as we have seen, they are successfully competing with us in our own markets? Yet if words have any meaning, that is what the pound for pound theory implies. Mr J. K. Cross, M.P., said in 1885,—

‘578,000 tons of coal were sent in 1879 to India, valued at £265,000 on export. That when they arrived in India, they were on import valued at £900,000. That this sum bought 60,000 tons of jute, which were sent over here, and on arrival, were valued at £1,080,000.’¹

In this illustration, which was given to explain the excess of the imports over the exports, it is assumed, that the difference between £265,000 and £1,080,000, or £815,000, after deducting freight and other charges, was so much profit. Unless the coal was shipped on account and risk of the owners on this side, the profit would be retained by the Indian indenters. The 60,000 tons of jute were not purchased and sent in payment of the coal, but were the results of independent trading. A hypothetical case of this kind, and it could have been nothing else, for, had such extremely high prices been obtained for coal in 1879, very large shipments would have been sent to India in 1880, which, a reference to the Board of Trade Returns, shows was not the case, proves nothing, and the deduction

¹ Sir Louis Mallet, C.B., in his ‘Reciprocity’ (a letter addressed to Mr T. B. Potter, M.P.)—printed for the Cobden Club (1879)—wrote thus (page 11):—

‘It (the adverse balance) appears to me to be a feature on which we have reason to congratulate ourselves . . . If foreign countries are content to accept £50 worth of British goods in exchange for £90 of their own, are we to complain of their generosity?’

sought to be drawn from it, is at once upset by the fact, that our imports from, and exports to India, just about balance each other. Yet *The Times*, which poses as a great authority on fiscal questions, said 'Mr Cross had settled the question as to the growing excess of the imports over the exports!' and declined to publish a letter by a city correspondent, which mercilessly exposed its glaring absurdity.¹

The 'pound for pound' theory being no longer tenable, it is said that, as foreign countries and our own possessions have not only to pay us for the merchandise we send them, but have to remit large sums for interest, and dividends, yearly accruing on the foreign and colonial investments of our capitalists, estimated at from £60,000,000 to

¹ Our newspapers constantly refuse insertion, not only to letters calling in question the sacred doctrines of Free Trade, but even to those pointing out the wildest misstatements of fact. Some time ago, the author wrote to *The Times* drawing attention to the leaflet of the Cobden Club, quoted in the first chapter, in which it was stated, that the misery of 1812 was caused by the corn duties, which, as a question of fact, did not then exist. The editor declined to insert it. But one of many instances of the kind which could be given. *Paper, owing to foreign competition, has fallen enormously in price since 1873. A leading Scotch journal, which then paid 3½d. per lb. for paper, is now paying only 1½d. It consumes 50 tons a week, a difference of £48,500 per annum. Naturally enough, it is a stout supporter of the present system, which has about ruined the paper makers. The Daily News is said to consume weekly, 80 tons; The Standard, 100; and The Daily Telegraph, 120 tons.*

The Times, oblivious of the fact, that we have no commercial treaty with America, lately remarked, in reference to the motion before the Senate, to largely add to the duties on British imports in order to compel us to adopt bimetallism, that it would, if passed, owing to the clause conceding to us favoured-nation treatment, prove inoperative!

£70,000,000, the excess of the import over the export, plus freight and other charges, is thus accounted for, and still shows, as foreign countries and our possessions are thus becoming more and more indebted to us, rapid growth in national wealth. Even this theory, which conclusively refutes the other, is but partially true. Whatever may be the amount of British capital, said to be about £1,200,000,000, invested abroad, it is well known that much of it has in recent years been lost, and that the annual returns of interest and dividends are not now so large as they were four years ago. We shall, however, assume that they have, during the last three years, averaged £60,000,000, and that freights, at the extremely low rates of to-day and other charges, payable abroad, amount, annually, to £30,000,000.¹

Average Imports, 1891-3.

£421,000,000.

Total Average Exports, 1891-3.

£293,000,000

Interest and dividends, 60,000,000

Freights, etc., . 30,000,000

Balance, . 38,000,000

£421,000,000£421,000,000

If the truth were known, we do not believe that as much as £90,000,000 have, annually during these three years, been earned by investors, shipowners and others, but if we grant that they have, how is the balance, still against us, of £38,000,000, annually, accounted for? The explanation is, we fear, that given by Lord Penzance in his controversy with Mr Medley in the *Nineteenth Century*, 1886, and admitted

¹ Freights on imports being, as a rule, paid on this side, are not remitted from abroad.

by the latter, that we have been parting with our securities, which have been paid for by imports of foreign produce. The absurdity of our trying to persuade ourselves that, the increase in the import over the export, only proves that the national wealth is being augmented, is very clearly shown by Lord Penzance.

‘Imports are paid for, he (Mr Medley) says, either by the export of merchandise or by securities. Be it so. In the word “security” he includes, I presume, bills of exchange, which I have shown to be the ordinary method of payment in point of fact, and then what does it all come to? Why, nothing but this; that imports are paid for somehow, either by goods or securities, or something of value. All this is plain and simple enough as a matter of reasoning and experience, but let me imagine a state of things which will illustrate it in a practical light. Suppose the great American millionaire, Mr Vanderbilt, had been able and willing to buy the entire Isle of Man, and built himself a palace there, and lived a life of opulence and luxury, importing everything that such a life demanded from England or from abroad. If he lived there to the age of Methuselah, what was there to prevent his spending his vast income in the purchase of foreign imports, without exporting a single bale of goods, paying his way by bills drawn on America, representing the earnings of the New York Central Railroad?’

And by another writer:—‘The truth is that the foreigners have changed places with us, and have now become the *investors*, whilst we have become the *divestors*, and they find it now comparatively easy to get back their securities, by virtue of our markets being free for their goods; and for this same reason, whilst they remain so, we shall find it a difficult if not an impossible task to retain them.

‘The interest due on this large amount of foreign investments, and the larger freights we used to obtain, greatly increased our purchasing power in the past. Unfortunately we have reduced the interest due by parting with some of these securities, and our freights are on a lower scale, and in favour of the foreigner, and *pari-passu* with these weak elements in our commercial

history, our food imports go on increasing year by year in total value, notwithstanding the word "cheap."

But it is not with the accumulation of wealth, if indeed it be accumulating, in the hands of the few, whose capital, invested in a foreign land, does nothing to increase, but tends to diminish, the productive power of their own that we as a nation are concerned. What does deeply concern us is, that our great industries, which in the past made us what we are should be in full activity, and employment found for the people. In short, the greatest good of the greatest number. The Board of Trade Returns show that the import of manufactured goods has in millions sterling been increasing, on the average yearly as follows:—

1855-9.	1860-4.	1865-9.	1870-4.	1875-9.	1880-4.	1885-9.	1890-3
10.	18.	27.	37.	48.	55.	57.	65.

What does this rapid increase but too surely point to? It points to so much of the products of domestic industry, we formerly manufactured, displaced, and reduced legitimate profits of the employers, who have less to pay in wages. We have here, since 1874, paid £1,125,000,000 for foreign products, one half of which, or £562,000,000, we should, under a moderate system of protection, have produced at home; a loss to the wages fund alone of £187,000,000, or £10,500,000 on the average per annum. It shows further that, the United States, aided by their system, and assisted by British capital, the interest on which they pay by enormous and ever-increasing importations of food stuffs, as well as manufactures, are not only manufacturing for them-

selves much they formerly took from us, but are, as we have seen, in spite of their having to pay double for labour, sending their manufactures to compete with ours; a startling and flat contradiction of the theory, that duties imposed for the protection of home industries, increase cost of production, and make competition with other countries more difficult; for, be it remembered, *that it is only since foreign countries have, by high duties, protected their industries that they have been able to undersell us in our own and foreign markets.*

If the excess of the import over the export is a certain proof of increasing national wealth, it follows that the greater the excess the greater our wealth, and that we shall only have attained the zenith of our prosperity, when we cease to export and import all we require. But what then becomes of the Mongredion contention, that 'every pound's worth of commodities purchased by us of the foreigner, compels a purchase by him in return of a pound's worth of English goods?'

It is claimed for our system that it enables us to 'buy in the cheapest and sell in the dearest market.' Were Free Trade universal, or were equal duties levied on both sides, which, as Mr M'Culloch said, would leave trade as free as before, no fiscal impediment would stand in the way, of what is, of course, the aim of every producer. No one can say that railway travelling, where all pay the same rates, is not free to the public, or, that the trade in spirits, where all pay the same excise duties, is not free.

Both would only cease to be free, if charged in some cases and not in others. Yet, if such unjust exceptions were made, we should here have an exact illustration, in regard to his foreign competitor, of the position of the producer in this country. He is in that of the distiller who, having the whole of the excise duty to pay, has to encounter the opposition of the distiller, who escapes it. Shut out from foreign markets by high tariffs, he has to sell in his own market, which, owing to keen competition from abroad, is now the cheapest, and being no longer able to sell in the dearest market, as he was before 'the law of surplus' began to operate so heavily against him, the advantage of being able to buy cheap, is more than lost to him. By our considering only the consumer, and cruelly disregarding the producer, we have not only reduced the latter's profits to a minimum, but we have materially enhanced his cost of production. John Bright said,—

'Free Trade gives us freedom to buy and increase our buying, and the more we buy the more we sell, and the greater our trade, even in spite of the hindrances of foreign tariffs. The right to buy freely is as sacred a right as that to sell freely ;' or, according to Sir T. H. Farrer's maxim, who appears to believe in 'the pound for pound' theory, 'take care of the imports, and the exports will take care of themselves.'

Here Mr Bright puts the cart before the horse. We must sell before we can buy, either the merchandise we produce, or the labour we contribute towards that production. Our boast is, that Free Trade has enormously lowered prices. If we only bought, this would be to our advantage, but as we must produce

and sell, before we can buy, the less we get for our products, the less our purchasing power. Prices consequently fall, which is not an indication of prosperity, but of poverty.¹ Cheapness, for which free traders are apparently of the opinion we should sacrifice everything, is an alluring term, but if we carefully consider it, we find it not only ambiguous, but misleading. It may be caused by an excess in the import of commodities, but, inasmuch as it entails a diminution in the incomes of the industrial classes, and less employment, it is not cheapness; for, if the working man ceases to earn good wages, of what use to him are the low prices of commodities, he has no longer the same means of paying for? In other words, the cost of living is to be measured, not by what we pay for the articles we consume, but by the income we possess, out of which the payment has to come. If it declines more proportionally than the price of commodities, they are dearer, not cheaper. The less the price of commodities, the lower must be the rates of wages, and the less the capacity of the masses to consume.

‘One of the fallacies which was employed on the hustings was the cry of cheap bread. Now it is generally admitted in this House that the cry of cheap bread, considered by itself, means nothing that is necessarily beneficial to the labouring classes. We ought not to look at the mere wages of the labourer, but to his relative means, to his command of the powers of enjoyment. The absolute price they may be called

¹ ‘High prices and plenty,’ says Adam Smith, ‘are prosperity; low prices and scarcity are misery.’ ‘It is to no purpose,’ said Dr Johnson, ‘to tell me that eggs are a penny a dozen in the Highlands; that is not because eggs are many, but because pence are few.’

on to pay for bread is in itself comparatively unimportant.'—
W. E. GLADSTONE. (*Hansard*, Vol. LXI. page 273.)

Our attention is directed to the increase in savings banks deposits, but when we compare it with that in other countries, we find the comparison tells very much against us, showing that, if it be an indication of the better condition of the working classes, their material welfare is improving more rapidly on the Continent than with us. The following table is taken from Mr Mulhall's Dictionary of Statistics:—

	Thousands omitted				Increase per cent. since 1870.
	1850.	1860.	1870.	1889.	
	£	£	£	£	
United Kingdom, .	30,100	41,300	53,100	107,200	102
France, . . .	5,400	15,100	27,400	111,800	308
Prussia, . . .	5,500	14,500	76,600	144,600	89
Russia, . . .	...	1,100	2,400	7,200	200
Austria, . . .	4,500	28,000	40,300	122,600	204
Italy, . . .	1,600	12,400	14,800	69,200	368
Spain, . . .	...	200	1,000	2,000	100
Belgium and Holland,	1,800	2,200	4,500	16,400	262

Here we have seven countries able to show an increase in their saving banks deposits since 1870, of on the average 219 per cent., against for the United Kingdom, of only 102 per cent.

The official returns of pauperism are also pointed

to, as another proof of our increasing prosperity under Free Trade. During the last thirty years, these have, taking quinquennial periods, averaged, annually, as follows:—

	England and Wales.			Scotland.	Ireland.	Total for United Kingdom.	Proportion to population.
	No. of in-door paupers.	No. of out-door paupers.	Total.				
1864-68	143,453	835,489	978,943	122,370	68,797	1,170,110	1 to 26
1869-73	159,905	853,270	1,013,175	121,539	75,670	1,210,384	1 „ 26
1874-78	155,253	617,850	773,103	99,432	80,519	953,054	1 „ 35
1879-83	186,597	621,099	807,678	96,354	106,166	1,010,218	1 „ 35
1884-88	193,947	607,722	801,669	95,566	110,245	1,007,480	1 „ 36
1889-93	195,715	584,990	780,705	91,859	106,313	978,877	1 „ 39

These returns show a decline in the number of paupers since 1873, but this is not accounted for by our having less poor with us, but by the much more rigorous enforcement of the house test rule, adopted in 1870, of compelling men with families to come into the poor's houses as a condition of their obtaining relief, which the honest and deserving poor, as well as the loafers, being unwilling to comply with, has since that year, led, as the table shows, to a considerable falling off in the number of paupers. We must also bear in mind, the vast sums now paid out of the funds of the trades unions and benefit societies to men out of employment, which have still further largely helped to reduce the number of those who

would otherwise have been forced to seek parish relief. It is absurd to contend, that a system, which attracts foreign imports, thereby displacing the labour of the workman, which is all he has on which to subsist—under which we export the best of our artisans and import paupers—which throws land out of cultivation and drives capital abroad, has diminished pauperism. If proof were wanted to show that it has had the contrary effect, it is furnished by the following table taken from Mr Mulhall's *Dictionary of Statistics*—the figures are for the year 1888—and further by the fact that our annual outlay in relieving the poor is now greater than it has ever been in any previous year.

	Paupers.	Per 100 Population.	Annual Outlay.
England,	810,000	2.8	£ 8,400,000
Scotland,	96,000	2.4	900,000
Ireland,	109,000	2.3	1,400,000
France,	290,000	0.8	1,500,000
Germany,	320,000	0.7	4,600,000
Russia,	350,000	0.4	...
Austria,	290,000	0.7	400,000
Italy,	270,000	0.9	1,900,000
Holland,	88,000	2.0	510,000

According to the census of 1890, there were in the whole of the United States in that year, of in-door and

out-of-door paupers, only 97,265, or, with their population of 62,622,250, a ratio of 1 to 644, against in Free Trade England 1 to 39! In London alone, the weekly returns show that there were in March 1894, 101,144 paupers!

In 1892, of a total of 210,042 emigrants, of British and Irish origin, who left this country, 150,029, or 70 per cent., went to the United States. Mr Mulhall estimates, that between what the British emigrant takes with him in money, and his capacity for work, the country of his adoption is enriched by £260. Assuming this amount to be correct, though we have seen it estimated at a higher figure, and taking the average number of British and Irish emigrants, who have gone to the States during the last ten years, 166,238, we get as the annual addition to the States' national wealth therefrom, no less a sum than £43,221,880. From this, however, some deduction, the amount of which there is no means of ascertaining, requires to be made on account of the emigrants who return from the States, but who are, as a rule, the idle and worthless. Their number, as we know, is not, however, large, as compared with those who go to remain. By as much as the States gain we lose, yet alone among the nations of the world—forgetting that the men who go are not the old, idle, or feeble, but the young, self-reliant, energetic and skilled—the men of bone and muscle, of priceless value to their country—we do all we can to encourage emigration. Surely it would be time enough to do so, when every mill, factory and furnace is in full swing, and every

field, suited for it, growing corn, before we talk of emigration, and tamely allow our country to be inundated with worthless foreign paupers.

The value of the workman to the country in which he resides, is seen, in addition to what he produces, by what he spends. He and his family must be housed, for which he pays rent to his landlord, who has so much more to spend. He and his family have to be fed, which involves his spending so much of his wages with butcher, baker, milkman, grocer, etc. They must also be clothed and shod, a further outlay with tailor, hatter, draper, hosier and shoemaker. Doctor, coal merchant, Chandler, and others also come in for their share; all of whom are impoverished under a policy, which deprives the workman of his means of earning a livelihood, and drives him to emigrate. If this policy is of such great advantage to him, as its admirers contend, he does not appear to appreciate it, for, in no country in Europe, is the rate of emigration to population so high as with us. Taking the average of the last five years, for which we have returns, we find it to be, compared with the three chief countries in Europe, as follows:—

		Population.	No. of Emigrants.	Per 1000 of Population.
Of French	Nationality,	38,218,903	18,740	0.5
„ German	„ .	49,428,470	104,400	2.6
„ Austrian-Hungarian	„ .	41,359,202	53,713	1.3
„ United Kingdom	„ .	37,797,864	236,078	6.3

And we have this very significant fact, that the country to which 70 per cent of our emigrants go, is the United States, the country which has most largely availed itself of the protective system.

John Bright was never weary of boasting that Free Trade had raised wages, but when asked by some working men how that could be, seeing that their employer, owing to foreign competition, had been compelled to reduce theirs, he turned ruthlessly on them with the reply, that, 'if trade was leaving their employer, they must be content to take less for their labour.' It is inconceivable it should not have been self-evident to even Mr Bright, that inasmuch as home products are displaced by foreign, the less must be the demand for labour, and the lower consequently the rates of wages.

Mr Elliot, secretary to the Board of Trade, in his report, end of 1891, on the relation of wages to cost of production, states the percentage to be 55 per cent. on coal, 50 per cent. on iron and steel, and 46 per cent. on cotton manufactures. In 1892, we imported the latter to the value of £2,812,465. This free traders regard as matter for high satisfaction, inasmuch as, according to their contention, it lowered the price to the consumer. But what does the country lose? Leaving other items out of the account, for at present we are only concerned with wages, there is a direct loss to labour of £1,293,730 against a possible saving to the consumer of five per cent., or £140,623, and this is political economy! As a German statesman sarcastically remarked, 'Free Trade may be a very

good thing for a rich country like England, but we cannot afford it.' Need we go further to find a reason, for so many of our people leaving a land, which prefers the labour of the foreigner to its own? ¹

The true causes of the advance in wages were, as we have said, the great demand for labour in the middle of the century, during the construction of our railways, and the prosperity we enjoyed down to 1875, but more especially the action of trades unions, which have succeeded in compelling the employers to concede more of their earnings to wages, wholly irrespective of the profits made. The advantages working men derive from their unions, are more apparent than real. They lose heavily by strikes, and in consequence of the high wages they are forced to pay, the masters, whose profits are now cut down to the barest margin, have constantly to refuse contracts, which have to be sent abroad. The wages fund thus loses and more men are thrown out of employment, who have to be supported by the unions and benefit societies. We hear much of a 'living wage,' but there must first be a living profit obtainable, or capital will be withdrawn from manufacture, and the fund out of which alone 'the living wage' can be paid

¹ 'Honourable gentlemen opposite surely do not wish to displace labour at home by the employment of labour abroad. I am strictly correct in saying there would be no new labour set in motion by the manufacturers of this country, if foreign corn were admitted free, but what would be more than counterbalanced by the displacement of the labour of the British peasantry.'—W. E. GLADSTONE, 13th February, 1843.

cease to exist. How large is the percentage of cost now paid to labour, and how small the profits of the employer, was shown in *The Economist* of 9th January, 1892, where it appeared that in the cotton industry, 91 joint-stock companies, with a capital of £6,895,261, had earned during 1891 only a profit of .35, or, about one-third per cent., and in its issue of 13th January, 1894, it stated, that in 1893 the net result of 100 companies was a loss of £314,864.

Notwithstanding that the United States continue to attract 70 per cent. of our emigrants, and that the ratio of their paupers to population is only 1 to 644, against 1 to 39 with us, it is still gravely asserted, that working men are worse off in the States than in this country.¹ The cost of living there, according to the evidence laid before the Royal Commission on the Depression of Trade, is about 10 per cent. more and wages about 80 per cent. higher. In many instances, as shown by the table on the following page, published by the *Free Trade Journal*, they were more than double.²

It is undoubtedly true, that the remuneration of labour is higher here than on the Continent of Europe, but so also is the cost of living. Not only do we not hear of so many of the workmen being there out of employment, but there has, as shown by Mr Mulhall,

¹ Sir E. Sullivan says, 'Employment is the large loaf, want of it the small one. Shall we pay the ryots in India 14d. a week, or English labourers 12s. to 14s.? We cannot do both. It is not possible in France, where there are 4,000,000 landowners, to set landowners, tenants and labourers by the ears.'

² See also Appendix (F).

Wages in England and the United States.	England. (Free Trade.)	United States. (Protection.)
Bookbinders,	\$6.00	\$15.00 to \$18.00
Boilermakers,	7.75	16.50
Bricklayers,	8.00	21.00
Carpenters,	7.50	15.00
Coopers,	6.00	13.25
Clockmakers,	7.00	18.00
Cabinetmakers. . . .	7.00	18.00
Farm Hands,	3.00	7.50 to 9.00
Glass Blowers,	6.00 to 9.00	25.00 to 30.00
Hatters,	6.00	12.00 to 24.00
Iron Moulders,	7.50	15.00
Labourers,	4.10	8.00
Machinists,	8.50	18.00
Masons,	8.00	21.00
Printers (1000 ems) . . .	.20	.40
Painters,	7.50	15.00
Patternmakers,	7.50	18.00
Plumbers,	8.00	18.00
Railway Engineers, . . .	10.00	21.00
Shoemakers,	6.00	12.00
Watchmakers,	8.00	18.00

been a greater advance in wages proportionally than with us.

The great problem of the day, is to find work for

the unemployed. Are we longer to maintain a system, which so directly deprives them of it? which is rapidly bringing about the ruin of our great industries, and benefits no one, save the middleman, who 'toils not neither does he spin.' Free traders sneer at protection as a contravention of the laws of political economy. We know of no single one of its laws, which would be violated by imports being taxed, to at least the same extent as home products. If such a law does exist, the sooner political economy is relegated to Jupiter and Saturn, the better. They refuse to see that protection is the order of the day, even in our own midst. The professions are protected; trades unions severely protect themselves against their masters. We have our butchers', bakers' and coal merchants' rings; a salt union, and recently a proposal for a coal trust, with a capital of £11,000,000; all of which are for the protection of classes and monopolies at the expense of the consumer. All these are tamely submitted to; in the case of trades unions, which tend so much to restrict trade, and drive it out of the country, even approved of, by Free Trade politicians,

'Friends of every country save their own.'

Protection, in their eyes, only becomes 'a vicious principle,' when we propose to apply it against the foreigner for the safeguarding of British industries, who is protected by the taxation to which these are subjected, amounting in the case of wheat, at its present price, to 15 per cent.!

Finally, as another proof of our increasing pros-

perity, we are referred to the increase in income-tax returns. These are, however, as pointed out in the Majority Report of the Royal Commission on the Depression of Trade, utterly misleading. It is well known that many traders, rather than submit their books for examination, pay on an assessment far above the profits earned. For the five years 1870-4, the *Statistical Abstracts* give the gross valuation of the land, on the average annually, as £65,407,632, and from 1888-92, £58,649,844, or only a fall of about 11 per cent., when, as every one knows, it has exceeded that amount at least three times. In 1875, mines were assessed on a valuation of £14,107,990, in 1892 at £10,871,889; iron works in 1875 at £7,260,802, and in 1892 at £2,979,442. It must also be remembered, that it is only within a recent date, that incomes, derived from foreign investments, have been made liable for the tax, which has largely helped to swell the returns; so that, even if they were reliable, they do not indicate an advance in material prosperity, but quite the reverse.

For the views expressed in this work, our opponents, in order to conceal the weakness of their case, profess the loftiest disdain, and forgetting that 95 per cent. of the traders of the world are against them, they affect to regard the question as quite beyond the pale of discussion. Mr Bright went further; in his eyes we were 'fools only fit for a lunatic asylum,' 'dogs who had returned to their vomit,' while Mr Giffen tells us, that 'were we, as a nation, better educated in the use of statistics, fair traders would

be laughed out of court.' But if the reader will turn to the '*Free Trade* Majority Report of the Royal Commission on the Depression of Trade,' he will find them confirmed in every essential particular. Among the reasons assigned for the depression are,—

'(3) The effect of foreign tariffs and bounties, and the restrictive commercial policy of foreign countries in limiting our markets; (4) foreign competition, which we are beginning to feel both in our own and neutral markets; (5) an increase in local taxation, and the burdens on industry generally; (6) cheaper rates of carriage by our foreign competitors; (7) legislation affecting the employment of labour in industrial undertakings.' After stating that though the condition of the working man had improved, it went on to say that, 'on the other hand, it was pointed out, that though this view might fairly represent the case of those who were able to find regular and constant work, the actual earnings of a large proportion of the labouring classes were greatly reduced owing to insufficiency and irregularity of employment.' (66) 'The remarkable feature of the present situation, and that which, in our opinion, distinguishes it from all previous periods of depression, is the length of time during which this over-production has continued. But it is more difficult to account for systematic over-production continued during a long period, and resulting, according to the unanimous testimony of the witnesses who appeared before us, in little or no profit to the producing classes.'

'The high prices which protection secures to the producer within the protected area naturally stimulate production, and impel him to engage in competition in foreign markets. The surplus production, which cannot find a market at home, is sent abroad, and in foreign markets undersells the commodities produced under less artificial conditions.'

'(71) Another element of great importance in the situation is the serious fall in prices, to which we have above referred. There can be little doubt that production and commercial enterprise are stimulated to a greater extent by rising than by falling prices.'

'Whatever may be the inconvenience of a rise in prices, it

certainly encourages a greater activity in production and an extension of credit. When prices are rising, capital is constantly endeavouring to find new means of employment; and a spirit of enterprise animates all the classes engaged in commercial operations.'

'In times when prices are falling, on the other hand, speculation even of a perfectly legitimate kind is checked, and production tends to diminish. . . . The fall of prices, which has been in progress during the greater part of the last ten years, has become much more marked in the last two; and its full effect in checking production and depressing trade has therefore scarcely become apparent.'

'As regards our home market, we have, as above pointed out, suffered a serious loss in our purchasing power by reason of the deficient or unremunerative character of the produce of the soil. Sir James Caird estimates the loss in the purchasing power of the classes engaged in or connected with agriculture at £42,800,000 during the year 1885, and the loss in several of the preceding years must, no doubt, have been equal to or even greater than this. This amount has been lost to the markets in which it was formerly spent, and cannot fail to have had an important influence upon the demand for manufactured goods.'

'An effect of a similar kind, though less in degree, has been produced by the increased competition in our own market of foreign-manufactured or partly-manufactured goods.'

'To this may be added the falling-off in our export trade, owing to the increasing tendency of foreign countries to supply themselves directly instead of through our markets.'

'(83) It is, however, right to point out that, while the share of the aggregate wealth produced in the country which now falls to labour is larger than it was twenty years ago, a corresponding diminution has taken place in the share which falls to capital—in other words, that while wages have risen, prices have fallen—and that this is obviously a process which cannot be continued beyond a certain point. This point has, we think, been very nearly, if not quite, attained already. A time may, therefore, come when capital will lose all inducement to lend itself to the work of production; and if the employer is driven out of the field, the labourer will necessarily suffer with him.'

'(95) We think also that the increasing severity of the competition of foreign countries is a matter deserving more serious

attention than it has received at the hands of our commercial and industrial classes. We cannot, perhaps, hope to maintain to the same extent as heretofore the lead which we formerly held among the manufacturing nations of the world. Various causes contributed to give us a position far in advance of other countries, which we were well able to hold for many years; but those causes could not have been expected to operate permanently, and our supremacy is now being assailed on all sides.'

Here we are told that we are beginning to 'feel competition in our own markets'; that 'our taxes and burdens are increasing'; that 'the earnings of a large proportion of the working classes are being greatly reduced, owing to insufficiency and irregularity of employment'; that 'protection, owing to the high prices it secures, enables the foreigner to undersell us in our own market';¹ that 'high prices stimulate production,' and low prices 'check legitimate enterprise'; that the loss of income, £42,800,000, to those engaged in agriculture, 'has had an important influence upon the demand for manufactured goods,' as also 'the competition of foreign manufactures in our own markets,' and 'the increasing tendency of foreign countries to supply themselves directly, instead of through our markets,' that if 'wages have risen, prices have fallen, and that a time may come, when capital will lose all inducement to lend itself to the work of production.' To which, add the words we quoted in a former chapter, 'there can be little

¹ Protection, as we have seen, does not induce high prices in foreign markets. It only maintains them at a natural level. If at a high or unnatural level, the foreigner would sell in his own country instead of coming here to undersell us.

doubt that the obstruction to our trade, caused by the growing stringency of the commercial policy of these countries, tends to make it far less profitable,' which concede the whole question of the consumer and the duty, and we have, after a prolonged and exhaustive inquiry, conducted, not by 'lunatics,' but by an eminent body of free traders, as complete a case against one-sided Free Trade, as the most ardent fair trader could desire. The following is from the Minority Report :—

'For the producer in the protected country, placed in secure possession of a great and steady Home Trade, enters with confidence and spirit upon an enlarged scale of operations, and in doing so brings into play every improvement or invention that can contribute to the perfection and economy of his work. He thus becomes far stronger than before for competition in neutral markets, and can well afford to dispose of his surplus production and to clear his stock at the end of each season in the English—the only duty-free—market, whilst the tariff of his own country shields him from reprisals.'

'(128) We have already described the way in which the high protective duties levied by foreign nations, whose industries are almost, or quite, on a par with our own as regards cheapness of production, constitute in effect a bounty upon their exports of the protected articles.

A careful perusal of these extracts must surely convince all, whatever views they may still hold as to the action of our policy in the past, that it has, in the altered conditions of trade, become utterly impracticable. That there are no fixed laws, eternal in their application, by which international commerce is conducted, but that these must be regulated by the circumstances of the time and place, precisely as in the case between two private concerns, where it is

a universal principle *that before we can expect to get, we must have something to give. In other words, that until we resume our bargaining power, it is idle to expect, apply what fancied remedies we may, that we can retain our share of the world's commerce, or even our home trade, so much more valuable to us than the foreign.*

The utterances of our critics are often as amusing as absurd. In one of the Cobden Club's publications, 'The Reciprocity Craze,' by Mr Medley, we find the author has arrived at the singular conclusion, that it would not be a blessing for this country if other nations adopted Free Trade.

He says—'I am not quite certain that as a nation we should, under universal Free Trade, be absolutely or comparatively as well off as we are now. Has any one considered the possible effects which might arise? 1. A sudden and vast demand for labour at home. 2. A sudden and great increase in wages. 3. A rapid increase in the numbers of factories, workshops, mills, furnaces, etc. 4. A rampant speculation in everything connected with trade and manufactures. 5. A general rise in prices, distressful to those with fixed incomes. 6. A rush of population from home and abroad to our manufacturing centres. 7. A stimulus to marriage and population. 8. A demoralisation of our labouring classes. 9. Strikes for an increase of wages.'

We can imagine the amazement of the working man as he ponders these words of Mr Medley, who carried away by his '*craze*' for cheapening everything to the uttermost, has finally arrived at the conclusion, *that it is very doubtful indeed if a demand for labour and good wages are things to be desired, for, would they not impart a stimulus to marriage?* and that of the

manufacturer, as he scans his adverse balance, the result of foreign tariffs fought with free imports, and thinks of the days that are gone.

In the old times, it was held that a fine harvest was sure to be followed by good trade, but it has been reserved for the Cobden Club to make the astounding discovery, '*that the good harvest of 1884 had caused trade depression, inasmuch as smaller supplies of food being required from abroad, shipowners and others had earned less profit.*' Apparently on this theory, these gentlemen will hail the day when British agriculture is extinguished, and all our food is imported from abroad. It is nothing to them, that the decrease of £16,000,000 in the import of cereals in 1884, as compared with the average of the four previous years, were kept at home, benefiting, not only agriculturists, but trade generally. No, it now comes to this, that when we happen to be blessed with a bounteous harvest, that means additional trade depression !

Mr Jacob Bright, M.P., in his inaugural address at the opening of the Athenæum some years ago, said, speaking of the repeal of the Corn Laws : ' Perhaps he could give no fact, which would put in a stronger light the enormous benefit we derived from the change, than that, in the present year, some 26,000,000 quarters of wheat were required for the food of the United Kingdom, and that *only 8,000,000 of that quantity were grown at home.*' One wonders if this Rochdale manufacturer would regard it as matter for congratulation, if he was forced by foreign competition

to reduce his production of carpets a half, and that he had, in consequence, to sell at little or no profit.

Mr Jackson, another champion of the existing system, brought to the notice of the working man the great advantage he derives from the low remuneration of capital. It seems never to have occurred to him, that if the remuneration be too low, capital will be withdrawn from trade, and the men left without employment.

Mr Giffen, in a letter to *The Times*, tried to make out, that 'so far from being alarmed at many of our industries contracting, we had cause for congratulation, *because the extension of our imports from other countries, and the emigration of English capital to a foreign soil, only proved that good and wealthy customers were being reared for us abroad.*' In other words, it is better for his country its capital should go abroad, than that it should be employed at home. He ignores the fact, that in so many cases go with it, the eminent manufacturer and the pick of his artisans, to teach, while enriching, the foreigner his trade, and so enable him to cease being a customer of the infatuated country, which by its system, drove him from its shores.

The following extracts are taken from Cobden Club leaflets:—

There had not been time for even the inconsiderate part of the nation to forget the sufferings from which that beneficent revolution (Free Trade) had delivered them. Even the land-owning and agricultural classes had learned to acknowledge, that they had derived the greatest benefits from the change, from which they had expected nothing but ruin. The England

of 1865 was a different country from the England of 1845. A great flood of prosperity had passed over it. Lancashire had come through the great crisis of the cotton famine with a quiet and success which had astonished the world. The ease with which Household Suffrage in the towns was passed in 1867 was due in a large degree to the admirable manner in which men, whose bread was no longer leavened by a sense of injustice, had borne themselves through that difficult period. It was no failure of Free Trade but the Crimean War which brought back some part of the anxieties of earlier years. It was the great prosperity of England, which everybody knew to be due to our Free Trade system, which converted the Emperor of the French, and induced him to take in the French Treaty, the first step towards breaking down the custom-house barrier between England and France, and did much to bring about the new feeling of sympathy and alliance between nations who had been regarded as hereditary foes. The motto of the Cobden Club, suggested, we believe, by Mr Goldwin Smith, embodies and represents this wider aspect of the Master's teaching, "Free Trade, Peace, Goodwill among Nations."—*Leaflet No. 45.*

All this was achieved by the repeal of corn duties, which only caused, as compared with the prices for thirty years thereafter, a fall in the price of wheat of 1s. to 2s. a quarter. Is there a single agriculturist in the country, who will to-day assert he has derived great benefit from free imports of corn? which the writer 'asserts enabled Lancashire to pass through the cotton crisis,' and 'accounted for the ease with which Household Suffrage was passed in 1867!' The high price of corn during the Crimean War was in a great measure directly the result of Free Trade, owing to the great reduction it had caused in home production, but a foretaste of what we may expect, should we be involved in war with France. The custom-house barrier with that country has not been removed, but

is more impenetrable than ever. 'Our hereditary foes,' notwithstanding the enormous benefit they derive from having free access to our ports, were never more embittered against us; and Mr Goldwin Smith, who suggested the club's motto, is now manifesting his goodwill and belief in Free Trade doctrines, by doing all he can to induce Canada to sever its connection with *Free Trade* England, and cast in its lot with the most *protectionist* country in the world—the United States.

'Free traders want to make everything dearer, *i.e.*, to prevent every man's money going so far as it does now. If everything is dearer, there must be stint. If everyone is stinted, he has less to spend. If he has less to spend, he can buy less. If he buys less, he causes less employment to be given, and if times are bad, the supposed remedy makes them worse. When we say that times are bad, we mean that there are three men seeking for two men's work, and of course there are less wages earned. Does any man out of Bedlam believe, if the fair traders got their way, and thereupon three men are seeking for one man's work, that wages would be better.'—*Leaflet No. 28*, by J. E. THOROLD RODGERS.

According to this extraordinary *ad captandum* exposition, the cheaper commodities are, and consequently the less the profits of the producer, the greater will be his demand for labour. Cheap foreign goods displace home labour, which is all the workman has to sell, therefore the more you import, the higher will be the rates of wages! Fair traders do not desire to make everything dear. They only desire to raise prices to their natural level to enable our industrial classes to live and thrive. They do not believe that it ever can be for the benefit of the

community at large, that home products should be sold under cost of production. Mr Rodgers, like Mr Bright, forgets that we must produce and sell before we can buy ; that if our people have their incomes curtailed, there must be 'stint,' for which 'cheapness' will by a long way fail to compensate them, and that by importing foreign goods, we are but contributing to the wages fund of a foreign country instead of to our own.

'Free Trade enables us to produce more cheaply than any other nation in the world.'—*Leaflet No. 24*, by S. BUXTON, M.P.

We have shown that under 'the law of surplus' our fiscal policy increases cost of production. Mr Buxton's statement is proved to be untrue by the fact that foreigners undersell us in our own markets.

'England is the only great nation which has abolished protectionist tariffs, and has established free imports. Thereby she has become the greatest trading nation in the world.' But so she was long before the repeal of the Corn Laws. 'When fair traders say that her goods are excluded from the world's markets by protectionist tariffs, they state that which is absurdly untrue. The fact is that these tariffs protect and foster British trade, and will continue to do so until they are abolished.'—*Leaflet No. 10*, by GEORGE W. MEDLEY.

According to this great political economist, foreign tariffs, including the M'Kinlay, have not impeded our trade with other countries, but positively assisted our manufacturers in competing with the foreigner in his own market! In another leaflet on agricultural distress, he is on surer ground when he points to a reduction of the excessive profits of the middleman as

a remedy, but fails to point out how this is to be attained by the farmer.

As to *middlemen's profits*, the margin between what the *farmers get* and what *consumers pay*, should be narrowed to the benefit of both parties. The sheep, which the *farmer* sells for £3, costs the *consumer* £4, 10s. ; *milk*, which the *farmer* sells for 1d. or $\frac{1}{2}$ d., the *consumer* pays 4d. or 5d. for, besides sometimes getting an adulterated article. The annual value of milk sold amounts to *thirty millions sterling*; far more than that of the wheat crop of the United Kingdom. Last year 230,000 tons of meat were sold in Smithfield Market. *One halfpenny per pound* on this, which is more than *one million sterling*, might probably, by union and combination, be put into *farmers' pockets* from this one market.

But as will be seen from the following, the only effectual remedy the club has to propose is a reduction, *or total abolition* of rent, in other words *confiscation*.

Farmers are suffering from bad times. Among the proposals for their relief the following are the most important :—

1. *Re-adjustment of Local Taxation.*
2. *Expropriation of Tithe Rent Charge.*
3. *Reform of Land Tenure.*
4. *Duties on Foreign Corn.*
5. *Reduction of Rents.*

‘With regard to No. 1, the relief to be gained would amount to, at most, one shilling an acre ; and this would not benefit the *farmer* in the long run. It would find its way eventually into the *landlord's pocket*. The same thing would happen with regard to No. 2. Tithes as well as rates are reckoned as an outgoing in the same way as rent is, and any relief in them would also eventually find its way into the *landlord's pocket*. As regards No. 3, no doubt much is to be done in the way of securing the tenant for outlay of capital, and in allowing him more freedom in cultivation. As to No. 4, the proposal to put duties on foreign corn, this country has had experience of the thing for thirty years—from 1815 to 1846.

'Farm rents must come down.

'Rent is that portion of the produce of the land which remains over after rewarding the *labourer* for his toil, and the *farmer* for his outlay and his work.

'It is just what remains over that the *farmer* can afford to pay as *rent*. If nothing remains over, the land can bear no rent.

'The labourer and the farmer should be considered first; the *landlord* last.'—*Leaflets No. 23 and 26*, by GEORGE W. MEDLEY.

We have seen Cobden assert that land is but the raw material of agriculture, as cotton is of manufacture. If Mr Medley's socialistic theory is to be applied to the one industry, it will have to be applied to the other, and will then read thus:—*'It* is just what remains over, after cost of manufacturing, the manufacturer can afford to pay for his cotton. If nothing remains over he cannot pay for his cotton. The operative and he should be considered first, the Liverpool cotton merchant last.' Surely the raw material land might, like cotton, be allowed to find its proper place in the market, without the interference of the Cobden Club. Of course, as we all know, these disgraceful attacks on landlords are got up for political purposes, and to conceal the disastrous collapse of the Free Trade system. We have already shown the falsity of the assertion that a duty would wholly go into the pocket of the landlord.

'Our success in competition as manufacturers rests entirely upon cheap untaxed food. If food were taxed, our people would suffer poverty, because the rise in the cost of manufacture would drive us out of foreign markets. The most productive employment for capital is agriculture, because the forces of nature co-operate with the powers of man, and if the distribution of

land were subject to the operations of economic laws, it is not possible that where capital is so abundant, climate so good, and the demand for food so large, agriculture should not be highly profitable.'—*Leaflet No. 5*, by A. ARNOLD, M.P.

Here we are told the success of manufacture 'entirely' depends on 'cheap untaxed food.' Why then does the club not agitate for the taxes being taken off the land? But Mr Medley tells the farmer all he can expect is a reduction of 1s. per acre of the 12s. he now pays, against the 6d. an acre in the United States, and this, according to these gentlemen, is in strict accordance with economic laws. With wheat at 24s., where is the farmer, pass what laws we may, who believes he can profitably grow wheat in this country? Never was bread so cheap, and so far from our success in competition as manufacturers being greater, it is every day becoming less and less.

'In 1831-1839 we reduced duties on 700 foreign articles, and in the next ten years the commerce of this country *increased a full fourth* in annual value!

'In 1842 we further lowered the tariff on 750 articles from abroad, and again in ten years our business *multiplied by more than one-half!*

'In 1860 we abolished every duty on foreign manufactured goods and many upon raw materials. In the next twenty years *our trade about doubled!*

'Thus we see prosperity follows the extension of Free Trade, and not the diminution of Free Trade. What is wanted, therefore, in 1885, is not less but more Free Trade.'—*Leaflet No. 22*, by J. HAMPDEN JACKSON.

Here the working man is left to infer that our prosperity in these years was entirely the result of the abolition of these duties. Let what has occurred between 1880 and 1893 be the answer.

Such are a few specimens of the nonsense and gross misrepresentations, to use no stronger term, to be found in Cobden Club leaflets, circulated by the million, for political purposes, among the working classes. They consist of bare assertions, are almost wholly devoted to abuse of landlords, a glorification of its great fetich 'cheapness,' talk glibly of enonomic laws, they never attempt to define, and are not written by mercantile men. Fortunately this club, which has in its time done so much to mislead the masses, is now being found out, and not likely to be a power for evil much longer.

The whole system is enveloped in a web of sophistry involving its defenders in conclusions contradictory and mutually destructive of each other. When trade is good and prices advancing, which rarely happens in these days, our fiscal policy gets the credit of it. When, as too often occurs, it is bad and prices falling, we are still asked to applaud 'the enlightened system,' which makes everything so cheap! Prosperity, which means advancing prices, and adversity, which means dull and falling markets, are thus alike glorified under this wonderful system. How the two can be compatible, we leave to the logical mind of the free trader to determine.

Foreign tariffs, while cruelly impeding our trade, have in one way been of service. They have given an additional impetus to Imperial Federation, which is slowly, but surely, coming to the front as the great question of the day. The contraction of our export

trade has drawn more attention to our rapidly-expanding colonies, as a field, in which compensation for loss of trade elsewhere may yet be found. But here, as at every turn, the way is barred by our fiscal policy. The utterances of Colonial statesmen make this abundantly clear.¹ They maintain that Imperial Federation can only be brought about by Commercial Union, on the basis of differential duties, or Free Trade within the Empire, and protection against the world without. What vast possibilities are opened up by such a policy ! Protection without, and Free Trade within an empire of 350,000,000 of a population, on which the sun never sets, and capable of producing almost everything it requires, would raise it to a pinnacle of power and prosperity, as has never yet been seen in the history of the world. Its trade would enormously increase. Instead of our being dependent on Russia and the United States for our supplies of food, we could, in a few years, have all the surplus grain we require from our colonies. We should be able to view with indifference any tariffs foreign countries might impose, for, in lieu of our present helplessness, we should then possess a bargaining power, superior to that of any nation in the world. The flow of English capital to the States, would be diverted to the Colonies, to aid them in developing their magnificent resources, and they bound to us by an indissoluble tie.

Unless such a bond of union is soon found, it is as

¹ See Appendix.

certain as anything in this world can be, that our colonies will not continue a connection, by which they gain nothing, are open to attack, in the event of our being involved in war with a great maritime power, and have not the freedom to enter into commercial treaties with other countries. We have, moreover, now to reckon with a large and ever-increasing body of colonists, who, born and reared in the colonies, have not that sentimental attachment for the mother country which characterised the old class of emigrants, but who regard the connection simply from the standpoint of self-interest.

As regards Canada, the danger is more immediate. She stands to the United States precisely in the position of Rhode Island in 1787. Twelve States had then accepted the Union, on the principle of Free Trade with each other, from which, by her refusal to join, Rhode Island was excluded. After holding out for six months, finding the ports of the other States closed to her surplus produce, she was compelled to come in, just as Canada will, unless we, by reverting to a policy of common sense, make it for her interest to remain with us.¹

The immensity of the trade of our Empire, is shown by the following tables of the imports and exports of British possessions with the British Empire and foreign countries, and how much more rapidly the latter are increasing their trade with our dependencies

¹ The opening up of the trans-continental route, which has brought Yokohama within twenty-one days of London, and the vast extent of its undeveloped territory, show of what great importance it is for us to retain this magnificent colony.

than we are, again proving that protection does not act in restriction of trade.

IMPORTS INTO BRITISH POSSESSIONS.

From	1870.	1880.	1890.	Inc. per cent. since 1880.
British Empire,	£101,100,000	£125,100,000	£178,600,000	42½
Foreign Countries,	28,300,000	28,100,000	51,600,000	83
	<u>£129,400,000</u>	<u>£153,200,000</u>	<u>£230,000,000</u>	

EXPORTS FROM BRITISH POSSESSIONS.

To	1870.	1880.	1890.	
British Empire,	£97,400,000	£129,700,000	£160,500,000	24
Foreign Countries,	29,300,000	45,400,000	77,600,000	71
	<u>£126,700,000</u>	<u>£175,100,000</u>	<u>£238,100,000</u>	

The effect on our trade, were we to lose our Colonies, would be simply disastrous. Canada having found salvation in the fold of the United States, and our Australian Colonies having entered into such treaties with the States, as the latter lately concluded with Spain and Brazil, a death-blow would have been given to British trade. A time would come when English goods, being no longer wanted by foreign countries, we should not have the means to pay for their products, with, as the inevitable result, commercial decay, and the fulfilment of the singular prophecy which appeared in the *Agricultural and Industrial Magazine*, in 1835:—‘In those days, when England shall have reached the measure of her greatness, verily the hour of her tribulation will be at hand. . . . The nation shall be delivered up for sport and experiment to loan jobbers and political economists.

. . . Our too luxuriant manufactures and commerce shall be pruned down to a "sound and wholesome" standard, by the removal of all protective duties, which will afford matter for gain and derision to other nations, while bankruptcy, desolation, misery and despair shall hourly increase at home. . . . It shall be said that it would be desirable to render the nation dependent on foreign harvests for food, and astonishing nonsense shall be talked touching Free Trade and the theory of exchanges.'

Imperial and commercial federation, which all true lovers of their country must devoutly wish to see speedily consummated, has then but one great obstacle in its path, our blind adherence to a system, which, when brought to the test of facts, as they are seen in the daily practical work of commerce, has been shown to be but a system of exploded fallacies. All that our Colonies ask of us, is that instead of raising, as we do now, £20,000,000 of revenue from one class of imports, we should raise them from another. How, we ask, would the British consumer be damnified? And shall the future historian have to record, that in the crisis of her fate, Great Britain, rather than grant this concession to her Colonies, sat calmly contemplating the dismemberment of the great empire bequeathed to her by her forefathers. A concession which, later on, she was, when too late, forced to concede to 'the better instructed public opinion' of the working classes, who had at last come to see that it is better for them, even at some little addition to the cost of living, that they should have continuous

employment and good wages: and that a policy, which attracts to our shores the surplus products of the world, however much it may suit the investor in foreign stocks, can never benefit them.

APPENDIX A.

CORN-BILL OF 1842 (*See Annual Register,*
1842, page 391.)

WHEAT.

Under 51/-, the Duty shall be for
every Quarter, 20/-

51/- and under 52/-,	19/-
52/- „ 55/-,	18/-
55/- „ 56/-,	17/-
56/- „ 57/-,	16/-
57/- „ 58/-,	15/-
58/- „ 59/-,	14/-
59/- „ 60/-,	13/-
60/- „ 61/-,	12/-
61/- „ 62/-,	11/-
62/- „ 63/-,	10/-
63/- „ 64/-,	9/-
64/- „ 65/-,	8/-
65/- „ 66/-,	7/-
66/- „ 69/-,	6/-
69/- „ 70/-,	5/-
70/- „ 71/-,	4/-
71/- „ 72/-,	3/-
72/- „ 73/-,	2/-
73/-, and upwards,	1/-

BARLEY.

Under 26/-, the Duty shall be for
every Quarter, 11/-

26/- and under 27/-,	10/-
27/- „ 30/-,	9/-
30/- „ 31/-,	8/-
31/- „ 32/-,	7/-
32/- „ 33/-,	6/-
33/- „ 34/-,	5/-
34/- „ 35/-,	4/-
35/- „ 36/-,	3/-
36/- „ 37/-,	2/-
37/-, and upwards,	1/-

OATS.

Under 19/-, the Duty shall be for
every Quarter, 8/-

19/- and under 20/-,	7/-
20/- „ 23/-,	6/-
23/- „ 24/-,	5/-
24/- „ 25/-,	4/-
25/- „ 26/-,	3/-
26/- „ 27/-,	2/-
27/-, and upwards,	1/-

APPENDIX A.—Continued.**RYE, PEAS AND BEANS.**

Under 30/-, the Duty shall be for
every Quarter, 11/6

30/- and under 33/-, 10/6

33/- „ 34/-, 9/6

34/- „ 35/-, 8/6

35/- „ 36/-, 7/6

36/- „ 37/-, 6/6

37/- „ 38/-, 5/6

38/- „ 39/-, 4/6

39/- „ 40/-, 3/6

40/- „ 41/-, 2/6

41/- „ 42/-, 1/6

42/-, and upwards, 1/-

WHEAT.

If the Produce of, and im-
ported from, any British Posses-
sion in North America, or else-
where, out of Europe,

Under 55/-, the Duty shall be for
every Quarter, 5/-

55/- and under 56/-, 4/-

56/- „ 57/-, 3/-

57/- „ 58/-, 2/-

58/- and upwards, 1/-

BARLEY.

Under 28/-, the Duty shall be for
every Quarter, 2/6

28/- and under 29/-, 2/-

29/- „ 30/-, 1/-

30/- „ 31/-, 1/-

31/-, and upwards, /6

OATS.

Under 22/-, the Duty shall be for
every Quarter, 2/6

22/- and under 23/-, 1/6

23/- and upwards, /6

RYE, PEAS AND BEANS.

Under 30/-, the Duty shall be for
every Quarter, 3/-

30/- and under 31/-, 2/6

31/- „ 32/-, 2/-

32/- „ 33/-, 1/6

33/- „ 34/-, 1/-

34/-, and upwards, /6

APPENDIX B.

CORN-BILL OF 1846 (*See Annual Register*, 1846,
page 428).

Expired 1st February 1849.

WHEAT.

Under 48/-, Duty per Quarter, 10/-				{ Barley, } Beer or } Bigg. }	Under 26/-, Duty per	
48/- and under 49/-, 9/-					Quarter, 5/-	
49/-	„	50/-	8/-	26/- and under 27/-, 4/6		
50/-	„	51/-	7/-	27/- „ 28/-, 4/-		
51/-	„	52/-	6/-	28/- „ 29/-, 3/6		
52/-	„	53/-	5/-	29/- „ 30/-, 3/-		
53/-, and upwards,			4/-	30/- „ 31/-, 2/6		
				31/-, and upwards, 2/-		

OATS.

Under 18/-, Duty per Quarter, 4/-	$\left\{ \begin{array}{l} \text{Rye,} \\ \text{Pease,} \\ \text{Beans.} \end{array} \right\}$	A Duty equal in amount	
18/- and under 19/-, 3/6			to the Duty payable on
19/- „ 20/-, 3/-			a Quarter of Barley.
20/- „ 21/-, 2/6			
21/- „ 22/-, 2/-			
22/-, and upwards, 1/6			

APPENDIX B.—TARIFF 1846.—*Continued.***DUTIES REDUCED.**

CLASS I.—Articles of Food.	Present Rate.	Reduced Rate.
Arrow Root,	5/- per cwt.	2/6 per cwt.
Beer,	40/- per barrel.	20/- per barrel.
Butter,	20/- per cwt.	10/- per cwt.
Buck Wheat,	As barley.	1/- per quarter.
Cassava Powder,	5/- per cwt.	2/6 per cwt.
Cheese,	10/- per cwt.	5/- per cwt.
Cider and Perry,	£10, 10/- per ton.	£5, 5/- per ton.
Citron preserved in Salt,	10 per cent.	5 per cent.
Cucumbers, do.,	10 per cent.	5 per cent.
Fish Cured,	2/- per cwt.	1/- per cwt.
Hams,	14/- per cwt.	7/- per cwt.
Hops,	£4, 10/- per cwt.	£2, 5/- per cwt.
Maize or Indian Corn,	As barley.	1/- per quarter.
„ Meal,	...	1/6 per cwt.
Mustard Flower,	12/- per cwt.	6/- per cwt.
Pearl Barley,	5/- per cwt.	2/6 per cwt.
Rice,	6/- per cwt.	1/- per cwt.
„ Rough, and in the Husk,	7/- per quarter.	1/- per quarter.
Sago,	1/- per cwt.	1/6 per cwt.
Sausages,	1/3 per lb.	1/- per lb.
Spirits, Foreign—		
„ Brandy,	£1, 2/10 per gall.	15/- per gallon.
„ Geneva,	„	„
Other Foreign Spirits,	„	„
Tapioca,	1/- per cwt.	1/6 per cwt.
Tongues,	10/- per cwt.	7/- per cwt.

CLASS II.—Agricultural.	Present Rate.	Reduced Rates.
Seeds, viz.—		
Canary,	4/- per bushel.	5/- per cwt.
Carraway,	10/- per cwt.	5/- per cwt.
Carrot,	10/- per cwt.	5/- per cwt.
Clover,	10/- per cwt.	5/- per cwt.
Leeks,	20/- per cwt.	5/- per cwt.
Mustard,	1/3 per bushel.	1/3 per cwt.
Onions,	20/- per cwt.	5/- per cwt.
Unenumerated,	10/- per cwt.	5/- per cwt.

APPENDIX B.—TARIFF 1846.—*Continued.***DUTIES REDUCED.—***Continued.*

CLASS III.—Manufactures.	Present Rate.	Reduced Rates.
Boot Fronts,	3/6 dozen pairs.	1/9 dozen pairs.
„ Large,	5/6 „	2/9 „
Men's Boots and Shoes, and others in like proportion, }	14/- and 28/- per dozen pairs.	7/- and 14/- per dozen pairs.
Cotton Goods made-up,	20 per cent.	10 per cent.
Hats, Beaver, and Silks,	2/6 and 3/6 each.	2/- each.
„ Straw,	8/6 per lb.	5/- per lb.
„ Chip,	5/- per lb.	3/6 per lb.
„ Bast, Cane or Hair, ex- ceeding 22 inches, }	15/- per dozen.	10/- per dozen.
„ Not exceeding 22 inches,	10/- „	7/6 „
Linen Manufacturers, rated,	Various rates.	One-half.
Lace Thread and Pillow Lace,	12½ per cent.	10 per cent.
Platting of Straw,	7/6 per lb.	5/- per lb.
Silk Manufactures,	25 & 30 per cent.	15 per cent.
Woollen Goods made-up,	20 per cent.	10 per cent.
CLASS IV.—Miscellaneous.	Present Rate.	Reduced Rate.
Agates, or Cornelians, manu- factured or set, }	15 per cent.	} 10 per cent.
Almond Paste,	20 per cent.	
Amber Manufactures,	15 per cent.	
Beads,	15 per cent.	
Bandstring Twist,	5/- per 12 knots.	
Bast Rope,	5/- per cwt.	
Blacking,	20 per cent.	
Brass Manufactures,	15 per cent.	
Brocade of Gold and Silver,	20 per cent.	
Bronze Manufactures,	15 per cent.	
„ Powder,	15 per cent.	} one-half.
Buttons, Metal,	15 per cent.	
Candles,	Various rates.	} 10 per cent.
Carriages,	20 per cent.	
Casks, Empty,	25 per cent.	
Catlings,	3/- per gross.	
China, etc.,	20 per cent.	
Clocks,	20 per cent.	

APPENDIX B.—TARIFF 1846.—*Continued.***DUTIES REDUCED.**—*Continued.*

CLASS IV.—Miscellaneous.— <i>Contd.</i>	Present Rate.	Reduced Rate.
Copper Manufactures,	15 per cent.	10 per cent.
Crayons,	15 per cent.	
Crystal, Cut,	15 per cent.	
Gauze Thread,	15 per cent.	
Hair Manufactures,	15 per cent.	
Harp Strings,	20 per cent.	
Iron and Steel, Wrought,	15 per cent.	
Japan or Lacquered Ware.	15 per cent.	
Latten Wire,	12½ per cent.	
Lead Manufactures,	15 per cent.	
Leather Manufactures, un- enumerated,	15 per cent.	10 per cent.
Paper Hangings,	1/- per square yd.	
„ Brown, made of Old Rope,	„	
„ All other Sorts,	4½d. per lb.	
„ Mill Board,	30/- per cwt.	
„ Scale Board,	30/- per cwt.	
Pencils,	15 per cent.	
„ of Slate,	15 per cent.	
Pewter Manufactures,	20 per cent.	
Pots, Stone,		
Silk Worm Gut,		
Skin or Fur Manufactures,		
Soap, Hard,	30/- per cwt.	20/- per cwt.
„ Soft,	20/- per cwt.	14/- per cwt.
„ Naples,	56/- per cwt.	20/- per cwt.
S'pa Ware,	15 per cent.	10 per cent.
Tallow,	3/2 per cwt.	1/6 per cwt.
Tin Manufactures,	15 per cent.	10 per cent.
Tobacco Pipes, Clay,	15 per cent.	
Turnery,	15 per cent.	
Twine,	10/- per cwt.	
Varnish,	15 per cent.	
Wafers and Sealing Wax,	15 per cent.	20/- per cwt.
Washing Balls,	/6 per lb.	
Whip Cord,	/6 per lb.	
Wire, Gilt and Silver,	12 per cent.	10 per cent.
Articles Manufactured, un- enumerated,	20 per cent.	

APPENDIX C.

AVERAGE PRICES OF WHEAT PER QUARTER.

1800-93.

1800	110/5	1824	62/-	1848	50/6	1871	56/8
1801	115/11	1825	66/6	1849	44/3	1872	57/-
1802	67/9	1826	56/11	1850	40/3	1873	58/8
1803	57/1	1827	56/9	1851	38/6	1874	55/8
1804	60/5	1828	60/5	1852	40/10	1875	45/2
1805	87/1	1829	66/3	1853	53/3	1876	46/2
1806	76/9	1830	64/3	1854	72/5	1877	56/9
1807	73/1	1831	66/4	1855	74/8	1878	46/5
1808	78/11	1832	58/8	1856	69/2	1879	43/10
1809	94/5	1833	52/11	1857	56/4	1880	44/4
1810	103/3	1834	46/2	1858	44/2	1881	45/4
1811	92/5	1835	39/4	1859	43/9	1882	45/1
1812	122/8	1836	48/6	1860	53/3	1883	41/7
1813	106/6	1837	55/10	1861	55/4	1884	35/8
1814	72/1	1838	64/7	1862	55/5	1885	32/10
1815	63/8	1839	70/8	1863	44/9	1886	31/-
1816	76/2	1840	66/4	1864	40/2	1887	32/6
1817	94/-	1841	64/4	1865	41/10	1888	31/10
1818	83/8	1842	51/3	1866	49/11	1889	29/9
1819	72/3	1843	50/1	1867	64/5	1890	31/11
1820	65/10	1844	51/3	1868	63/9	1891	37/-
1821	54/5	1845	50/10	1869	48/2	1892	30/3
1822	43/3	1846	54/8	1870	46/10	1893	26/4
1823	51/9	1847	69/9				

APPENDIX C.—*Continued.*

AVERAGE PRICES OF 4 LB. LOAF.

1836-84.

Supplied to Seamen's Hospital at Greenwich.

1836	/5	1849	/6 $\frac{1}{4}$	1861	/7 $\frac{1}{4}$	1873	/6 $\frac{1}{4}$
1837	/5 $\frac{1}{2}$	1850	/5 $\frac{1}{2}$	1862	/7 $\frac{1}{4}$	1874	/6 $\frac{1}{4}$
1838	/7	1851	/5	1863	/6 $\frac{1}{2}$	1875	/6
1839	/7	1852	/5	1864	/5 $\frac{3}{4}$	1876	/5 $\frac{3}{4}$
1840	/7 $\frac{3}{4}$	1853	/6	1865	/5 $\frac{1}{2}$	1877	/6
1841	/7 $\frac{1}{4}$	1854	/9 $\frac{3}{4}$	1866	/6	1878	/6 $\frac{3}{4}$
1842	/7 $\frac{3}{4}$	1855	/8 $\frac{3}{4}$	1867	/8	1879	/5 $\frac{1}{4}$
1843	/6	1856	/9	1868	/8 $\frac{1}{2}$	1880	/5 $\frac{1}{2}$
1844	/7	1857	/8	1869	/6 $\frac{1}{4}$	1881	/6 $\frac{1}{4}$
1845	/6	1858	/6 $\frac{1}{4}$	1870	/6	1882	/6
1846	/7	1859	/5 $\frac{1}{2}$	1871	/6 $\frac{1}{4}$	1883	/5 $\frac{3}{4}$
1847	/8 $\frac{1}{2}$	1860	/6-	1872	/6 $\frac{1}{4}$	1884	/4 $\frac{1}{2}$
1848	/6 $\frac{1}{2}$						

PRICES OF BEEF (LOW QUALITY) PER LB.

As Sold at the Metropolitan Cattle Market.

1830	/5 $\frac{1}{2}$	1846	/3 $\frac{5}{8}$	1862	/6 $\frac{1}{4}$	1878	/6 $\frac{3}{4}$
1831	/4 $\frac{5}{8}$	1847	/4 $\frac{7}{8}$	1863	/6	1879	/6
1832	/4 $\frac{1}{2}$	1848	/4 $\frac{1}{2}$	1864	/5 $\frac{3}{4}$	1880	/6 $\frac{1}{4}$
1833	/4 $\frac{3}{8}$	1849	/3 $\frac{7}{8}$	1865	/6	1881	/6
1834	/3 $\frac{5}{8}$	1850	/3 $\frac{3}{4}$	1866	/5 $\frac{1}{2}$	1882	/6
1835	/3 $\frac{3}{8}$	1851	/3 $\frac{5}{16}$	1867	/5 $\frac{1}{4}$	1883	/6 $\frac{1}{4}$
1836	/4 $\frac{5}{8}$	1852	/3 $\frac{1}{2}$	1868	/5 $\frac{3}{4}$	1884	/6
1837	/5	1853	/4 $\frac{1}{2}$	1869	/5 $\frac{3}{4}$	1885	/5 $\frac{3}{4}$
1838	/5	1854	/5 $\frac{1}{2}$	1870	/5 $\frac{1}{4}$	1886	/4 $\frac{3}{4}$
1839	/5 $\frac{1}{4}$	1855	/5 $\frac{1}{8}$	1871	/5 $\frac{3}{4}$	1887	/4 $\frac{1}{2}$
1840	/5 $\frac{1}{4}$	1856	/5 $\frac{3}{8}$	1872	/6 $\frac{1}{4}$	1888	/3 $\frac{1}{2}$
1841	/5 $\frac{1}{8}$	1857	/5 $\frac{3}{8}$	1873	/7 $\frac{1}{2}$	1889	/3 $\frac{1}{2}$
1842	/4 $\frac{5}{8}$	1858	/5 $\frac{3}{4}$	1874	/6 $\frac{3}{4}$	1890	/3 $\frac{1}{2}$
1843	/4 $\frac{1}{4}$	1859	/5 $\frac{1}{2}$	1875	/5 $\frac{3}{4}$	1891	/4 $\frac{1}{2}$
1844	/3 $\frac{5}{8}$	1860	/6	1876	/6 $\frac{1}{2}$	1892	/4 $\frac{1}{2}$
1845	/4 $\frac{5}{8}$	1861	/6 $\frac{5}{8}$	1877	/6 $\frac{1}{2}$		

APPENDIX D.

IMPORTS OF WHEAT AND WHEAT-MEAL AND
FLOUR IN QUARTERS.

1802-93.

*In equivalent Weight of Grain (1 Cwt. of Wheat-Flour
= $1\frac{1}{4}$ Cwt. of Wheat in Grain).*

1802	498,359	1825	525,231	1848	2,193,755	1871	10,351,186
1803	297,145	1826	315,892	1849	5,634,344	1872	11,109,676
1804	398,067	1827	572,733	1850	4,894,543	1873	12,047,279
1805	842,879	1828	842,050	1851	5,404,401	1874	11,508,628
1806	280,776	1829	1,364,220	1852	4,221,613	1875	13,894,211
1807	379,833	1830	1,701,885	1853	6,317,985	1876	12,111,034
1808	...	1831	1,491,631	1854	4,532,915	1877	14,814,584
1809	424,709	1832	325,435	1855	3,252,742	1878	13,928,036
1810	1,491,341	1833	82,346	1856	5,276,032	1879	17,033,827
1811	238,366	1834	64,653	1857	4,111,450	1880	15,973,956
1812	244,385	1835	28,483	1858	5,413,553	1881	16,647,087
1813	425,559	1836	24,826	1859	5,016,138	1882	18,797,917
1814	681,333	1837	244,037	1860	7,429,783	1883	19,728,396
1815	...	1838	1,834,452	1861	8,784,231	1884	15,440,899
1816	225,263	1839	2,590,734	1862	11,676,558	1885	19,210,695
1817	1,020,949	1840	2,389,732	1863	7,186,341	1886	15,638,440
1818	1,593,518	1841	2,619,702	1864	6,728,681	1887	18,716,202
1819	122,133	1842	2,977,302	1865	6,030,162	1888	18,766,149
1820	34,274	1843	982,287	1866	6,853,392	1889	18,416,969
1821	2	1844	1,021,681	1867	9,131,915	1890	19,222,371
1822	...	1845	313,245	1868	8,518,077	1891	20,892,516
1823	12,137	1846	2,943,926	1869	10,371,147	1892	22,307,716
1824	15,777	1847	4,612,111	1870	8,611,427	1893	21,877,677

Compiled from PORTER's *Progress of the Nation*, 1802-49.Compiled from *Statistical Abstracts*, 1850-93.

APPENDIX E.

TABLE showing the Average under Wheat, yield per Acre, and Total Produce for each Year from 1852 to 1893 inclusive, in the United Kingdom, compiled from Messrs Lawes & J. H. Gilbert's Table, published in *The Field*, of 12th February 1887, and the *Statistical Abstract*.

Years.	Acres Under Wheat.	Yield per Acre.	Total Home Produce.	Years.	Acres Under Wheat.	Yield per Acre.	Total Home Produce.
	Acres.	Bush.	Quarters.		Acres.	Bush.	Quarters.
1852	4,058,731	22 $\frac{7}{8}$	11,574,982	1873	3,670,259	22 $\frac{1}{2}$	10,290,417
1853	4,013,963	20 $\frac{7}{8}$	10,466,473	1874	3,830,767	29 $\frac{1}{4}$	13,972,926
1854	4,036,969	34 $\frac{3}{4}$	17,563,140	1875	3,514,088	22 $\frac{3}{8}$	10,018,418
1855	4,076,447	27 $\frac{3}{8}$	13,922,801	1876	3,125,342	25	9,732,984
1856	4,213,651	27	14,192,543	1877	3,321,065	26 $\frac{1}{2}$	10,970,533
1857	4,185,974	33 $\frac{1}{8}$	17,321,221	1878	3,381,701	30	12,647,213
1858	4,131,822	31 $\frac{1}{2}$	16,309,949	1879	3,056,428	15 $\frac{1}{2}$	5,905,020
1859	4,019,725	26 $\frac{1}{8}$	13,135,124	1880	3,065,895	24 $\frac{1}{2}$	9,364,464
1860	3,992,657	22 $\frac{3}{8}$	11,078,948	1881	2,967,059	24	8,880,198
1861	3,898,177	25 $\frac{1}{4}$	12,271,546	1882	3,163,899	25 $\frac{3}{8}$	10,115,225
1862	3,823,947	29 $\frac{1}{4}$	13,957,554	1883	2,713,282	28	9,477,822
1863	3,698,629	38 $\frac{3}{4}$	17,922,048	1884	2,750,588	29 $\frac{7}{8}$	10,258,370
1864	3,685,493	35 $\frac{1}{4}$	16,216,328	1885	2,553,092	31 $\frac{1}{4}$	9,954,471
1865	3,646,691	30 $\frac{3}{8}$	13,975,936	1886	2,357,894	26 $\frac{7}{8}$	7,918,486
1866	3,661,351	25 $\frac{5}{8}$	11,485,091	1887	2,387,518	32	9,528,117
1867	3,640,051	21	9,566,522	1888	2,668,226	28	9,311,642
1868	3,951,018	34	16,733,419	1889	2,544,549	29 $\frac{7}{8}$	9,485,452
1869	3,981,989	27	13,419,496	1890	2,483,595	30 $\frac{1}{2}$	9,499,235
1870	3,773,663	30	14,105,464	1891	2,392,245	31 $\frac{1}{4}$	9,342,837
1871	3,831,054	24	11,456,544	1892	2,298,607	26 $\frac{1}{2}$	7,596,906
1872	3,839,532	24	11,481,438	1893	1,955,213	26	6,364,107

AVERAGES.

Years.	Acres Under Wheat.	Yield per Acre.	Total Home Produce.	Years.	Acres Under Wheat.	Yield per Acre.	Total Home Produce.
	Acres.	Bush.	Quarters.		Acres.	Bush.	Quarters.
1852-56	4,079,952	26 $\frac{3}{8}$	13,543,988	1877-81	3,158,429	24 $\frac{1}{8}$	9,553,485
1857-61	4,045,671	27 $\frac{3}{8}$	14,023,357	1882-86	2,707,751	28 $\frac{3}{8}$	9,744,875
1862-66	3,705,222	31 $\frac{3}{4}$	14,711,391	1887-91	2,495,226	30 $\frac{3}{8}$	9,433,456
1867-71	3,835,555	27 $\frac{1}{4}$	13,056,289	1892-93	2,126,910	26 $\frac{1}{4}$	6,980,506
1872-76	3,595,997	24 $\frac{3}{4}$	11,099,236				

APPENDIX F.

TABLE compiled from 1400 Returns of Official Correspondents by the American *Economist*, showing the Retail Prices current in the States in 1857 about the close of their Free Trade period. In October 1889, a year before the M'Kinlay Tariff came into force, and in September 1891, proving, that instead of raising prices it had lowered them.

Articles.	1857.	Oct. 1889.	Sept. 1891.
Axe,	\$1.49	\$0.95	\$0.88
Binding Twine, lb.,	...	.14 $\frac{1}{2}$	.11
Blankets, pair,	6.83 $\frac{1}{3}$	4.23	3.70
Blue Shirting, yard,	.17 $\frac{3}{4}$	.11 $\frac{1}{2}$	.09 $\frac{1}{2}$
Boots,	4.76	3.27	2.78 $\frac{3}{4}$
Calico, yard,	.14 $\frac{1}{2}$	.07 $\frac{1}{3}$	.06
Carpets, yard,	1.30 $\frac{3}{4}$	.77 $\frac{3}{4}$	.66 $\frac{1}{2}$
Cotton Gloves,	.34 $\frac{3}{4}$	.24 $\frac{3}{4}$	.19 $\frac{1}{2}$
Cotton Hosiery,	.47	.25 $\frac{3}{4}$	.20 $\frac{1}{2}$
Cotton Knit Goods,	.98	.52 $\frac{1}{2}$	.41 $\frac{1}{2}$
Cotton Thread, spool,	.09 $\frac{1}{3}$	.05	.04 $\frac{1}{4}$
Crowbar, lb.,	.11 $\frac{1}{2}$	.07 $\frac{1}{2}$	.06 $\frac{1}{4}$
Drawing Chains, pair,	1.28 $\frac{1}{2}$	.71 $\frac{1}{4}$	.58 $\frac{1}{2}$
File,	.42	.27 $\frac{1}{4}$	.20 $\frac{1}{4}$
Fork, 3-tined,	.99 $\frac{1}{4}$	.56 $\frac{3}{4}$	.46 $\frac{1}{4}$
Flannel, yard,	.70	.39 $\frac{3}{4}$	.34 $\frac{3}{4}$
Fruit Cans, per dozen,	3.00	.72	.54 $\frac{1}{2}$
Gingham, yard,	.22 $\frac{2}{3}$	.10 $\frac{3}{4}$	.08 $\frac{3}{4}$
Hand Saw,	2.43 $\frac{1}{2}$	1.62 $\frac{1}{4}$	1.39
Hoe,	.85	.48 $\frac{1}{4}$	.37 $\frac{1}{2}$
Hemp Rope, lb.,	.21	.14	.11 $\frac{1}{2}$

APPENDIX F.—*Continued.*

Articles.	1857.	Oct. 1889.	Sept. 1891.
Linen, yard,	\$0.83	\$0.48½	\$0.42½
Mowing Machine,	121.15	56.98	47.10
Nails, Wire, lb.,	...	.05	.03¾
Nails, Iron, lb.,	.08½	.03¾	.03
Oilcloth, yard,	.84	.38	.31
Overalls,	1.20¼	.83¾	.70½
Pearl Buttons, dozen,	.22¼	.11¼	.13¾
Pins, paper,	.11½	.06¾	.05¾
Plow,	20.12½	14.37½	12.90
Rake, Horse,	41.25	22.56¾	19.40¾
Rake, Hand,	.61½	.34	.26¼
Reaper and Binder,	247.85	142.36	115.96
Rubber Boots,	4.83½	3.10¾	2.73¾
Salt, bbl.,	2.30	1.75	1.38
Shoes,	5.84	3.45	3.06
Sheeting, yard,	1.2¾	.08	.06¾
Shovel,	1.47	.97¾	.80¼
Spade,	1.44½	.96¾	.84
Starch, lb.,	.13½	.09¾	.09½
Straw Hat, good,	1.75	1.28	1.10
" " common,	.44	.31	.23½
Sugar, lb., granulated,	.19¼	.09¾	.05½
" brown,	.16¼	.08½	.04½
Sugar Bowl,	.61	.38½	.32¼
Scythe,	1.22	.85½	.68¾
Tin Dipper,	.25	.12¼	.10¼
Tin Milk Pail,	.75½	.46¾	.39¾
Tin Milk Pan,	.37¼	.18½	.15½
Ticking, yard,	.35½	.20	.17
Wagon,	130.00	95.00	75.00
Washboard,	.41	.24½	.22¾
Washtub,	1.20	.70½	.65
Wheelbarrow,	2.23	1.65	1.40
Wooden Pails,	.45	.24½	.20½
Woollen Clothing,	24.00	16.75	14.25

APPENDIX F.—*Continued.*

TABLE OF WAGES in England and the States, furnished by Mr Wadlin, Chief of the Massachusetts Bureau of Labour Statistics, and verified by Mr Consul Brown.

	England.			United States.		
	£	s.	d.	£	s.	d.
Boilermakers, weekly, . . .	1	12	4	3	8	9
Bricklayers, „ . . .	1	13	4	5	7	6
Carpenters, „ . . .	1	11	3	3	2	6
Cabinetmakers, „ . . .	1	9	2	3	15	0
Farm Hands, „ . . .	0	12	6	1	14	0
Labourers, „ . . .	0	17	1	1	13	4
Masons, „ . . .	1	13	4	5	7	6
Shoemakers, „ . . .	1	5	0	2	10	0
Watchmakers, „ . . .	1	13	4	3	15	0
Painters, „ . . .	1	11	3	3	2	6
Cotton, per annum, . . .	4	11	3	68	12	2½
Woollen, „ . . .	34	7	6	75	18	1
Worsted, „ . . .	3	19	2	72	6	7½
Linen, „ . . .	26	5	0	63	12	8

RAILWAY EMPLOYÉS' WAGES, from a Statement laid before Congress by the United States Commissioner of Labour.

Class of Employés.	Great Britain.	United States.
Engineers, per day, . . .	\$1.46	\$3.22
Firemen, „ . . .	0.91	1.79
Conductors, „ . . .	0.97	2.63
Switchmen, „ . . .	0.85	1.50
Flagmen, „ . . .	0.81	1.13

APPENDIX G.

LORD SALISBURY upon the Duty of Members of the United Empire Trade League. (*Extracted from his reply to the Deputation, 19th June, 1891.*)

‘I feel deeply the very great importance of the subjects submitted to us, involving as they do, not only . . . our relations, and the continuance of our relations with our Colonies, but also

RAISING THOSE VAST FISCAL QUESTIONS

which are engaging more than any other political or perhaps social question, the attention of every Nation in the World. . . . With respect

TO THOSE TWO UNLUCKY TREATIES¹

that were made by Lord Palmerston’s Government some thirty years ago, I am sure the matter of the relation of our Colonies could not have been fully considered. We have tried to find out from official records what species of reasoning it was that induced the statesmen of that day to sign such very unfortunate pledges; but I do not think they had any notion that they were signing any pledges at all. I have not been able to discover that they at all realised the importance of the engagements upon which they were

¹ With Belgium in 1862, and Germany in 1865, precluding British Colonies from admitting British Goods on more favourable terms than Foreign goods—Treaties which the Senate and House of Commons of Canada in September, 1891, petitioned Her Majesty the Queen to ‘denounce and terminate as clearly adverse to the Interests of the United Kingdom and of each and all of its Possessions, restricting the power of adopting such modifications of its tariff arrangements as may be required for the promotion of its trade.’

entering. I think I can give you, with the greatest confidence, an assurance that not only this Government, but no future Government will be disposed to enter into such engagements again. We shall be glad indeed to take every opportunity that arises for delivering ourselves from those unfortunate engagements, but we can make no promise as to doing so at the price of other protective stipulations to which the trade of this country is pledged. The Government will carefully watch ; and before a very long time has elapsed, no doubt some means of mitigating these evils may be found. . . . We are getting to a time when we must pass away from general sentiments, however encouraging and invigorating they may be, and we must close with the hard arguments and facts of the case. And those who believe, as you believe, that you are the representatives of a rising movement, in possession of a policy which only requires to be explained to your countrymen in order to be adopted by them, your duty is plain. You have to state the details of your policy, and *spare no pains in the effort of impressing it upon your fellow men*. But it is essential that you should explain it. You must submit to your countrymen precisely what it is you want them to do, so that they may examine what will be the results upon their commerce and their own life, so that an estimate of their exact value may be formed, and they may give effect to their opinions in consequence. I am sure that those who are thoroughly convinced of the truth of their doctrines will feel this ordeal to be one from which they will not shrink, but will heartily welcome, and devote all their energies to it. . . . I would ask you first to give to your propositions sharpness and definiteness, so that these matters may be threshed out and argued before the country. . . . I know the ordinary view

of the duty of the Government is to devise for itself the measures it may bring forward, and then let them take their chance, whatever they may be. And no doubt it is in a great measure true with respect to the large mass of legislation on secondary questions that they have to propose; but it is not true with respect to "*an organic question which concerns and will control the very existence of our Empire and the very foundation of our trade.*" On this matter public opinion must be framed or formed before any Government can act. No Government can impose its own opinion on the people of this country in these matters.

YOU ARE INVITED,

and it is the duty of those who feel themselves to be the pioneers of such a movement and the apostles of such a doctrine,

TO GO FORTH TO FIGHT FOR IT,

and when they have convinced the people of this country, their battle will be won.'

THE FIRST LORD OF THE TREASURY,

HOUSE OF COMMONS, 1-4-1892.

'The Prime Minister adheres entirely to what he said on June 19 last year, and has no desire to withdraw from it in the least degree. But up to the present no opportunity has arisen for reviewing the engagements referred to.'

The following are extracted from speeches of Colonial Ministers in favour of commercial union with the mother country :—

The Right Hon. Sir JOHN MACDONALD, G.C.M.G., Prime Minister of Canada and Vice-President of the United Empire Trade League.

‘The United States practically say to us, “If you want reciprocity or trade with us, either annex yourselves to us or sever yourselves from Great Britain. As long as you are a portion of the British Empire we will not deal with you.” But we must remain as we are—happy in being an integral portion of the greatest and grandest Empire known to history. As for trade, we will look to the Mother Country, to Australia, and to the West Indies.’—*Halifax, Nova Scotia, October, 1890.*

‘Commercially, British Federation may be achieved on a basis of give and take. If you will give Colonial produce such immunities as you give to no foreign nation, I will commit myself to the expression of a belief that the Colonies will give British goods, and only British goods, preferential treatment.’—*London, December 1885.*

The Hon. JAN HENDRICH HOFMEYR, Delegate of the Cape of Good Hope.

‘A closer union between the various parts of the British Empire, by means of an Imperial Tariff of Customs on goods entering the Empire from abroad! I aim at something that shall supply a cohesive force to the Empire. It may even be that in the course of years this system may, instead of providing a protective tariff, lead to absolute Free Trade, as between the Mother Country and the Colonies. If this matter be discussed, and if it be continually borne in mind, it stands to reason that, in future treaties which may be entered into between the Imperial

Government and foreign countries, the fact that the Colonies are not foreign countries, but are inseparable parts of the British Empire, will be remembered, and the most favoured nation clause will not be brought to bear against England's own kith and kin.'

Sir ROBERT THORBURN, Premier and Delegate of Newfoundland.

'The time has come when we may fairly consider it is right for us in the Colonies to impose differential duties upon foreigners, inasmuch as their competition is not a fair competition.'

The Hon. JAMES SERVICE, late Premier and Delegate of Victoria.

'Nothing would be more advantageous to the unity of the Empire than to establish greater sympathy in a tariff sense. If I had had my will there should never have been, from first to last, one shilling of duty as against goods coming from England.'

The Hon. ALFRED DEAKIN, Prime Minister and Delegate of Victoria.

'One of the strongest of the ties that can unite the Colonies or peoples together is the tie of self-interest with all the other ties which flow from intimate commercial relationship. The Australasian Colonies would gladly take part in any movement which would not only demonstrate the unity of the Empire, but assist to make it a potent reality.'

Sir JOHN DOWNER, Premier and Delegate of South Australia.

‘I feel perfectly satisfied that there can be no permanent union between the various portions of the Empire unless they recognise some obligation to each other in trade as well as in other things.’

Sir SAMUEL GRIFFITH, Premier and Delegate of Queensland.

‘Goods coming from British Possessions should be subject to a lighter duty than those coming from foreign countries. Giving material advantages to our kith and kin would in a very large degree maintain and strengthen the feeling that we are all one nation.’

Sir WILLIAM FITZHERBERT, Speaker of the Legislative Council and Delegate of New Zealand.

‘If we are to draw closer the bonds of union between the British Empire all over the world, this matter of trade relations is of fundamental importance, and one with which we must attempt to deal.’

Sir JOHN ROBINSON, Attorney-General and Delegate of Natal.

‘This is the only concrete proposal bearing directly upon the unification of the Empire,—a question upon which the different sections of the Empire ought to close their ranks and face the world.’

I N D E X.

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THE END.

A PLEA FOR PROTECTION.

SIR,—Several of your correspondents having disputed my contention as to the incidence of the duty, the far-reaching importance of the question must be my excuse for once more referring to it.

If, instead of allowing our attention to be distracted by wholly irrelevant issues, which the Cobden Club persistently trails across our path, we concentrate it on what constitutes the sole difference between our fiscal policy and that of all other countries, it requires but little acumen to see that herein lies the crux of the whole controversy between Free Trade, so-called, and Protection. That difference is neither more or less than this: we levy annually £20,000,000 of customs duties, or more than any nation in Europe, on what we cannot produce; on what they can produce.

We base our system on the assumption that all duties of whatsoever kind are paid by the consumers, and that, were we to levy these on imports we can internally produce, they would act in restriction of our export trade, the true index of a nation's advance, or decline, in industrial prosperity. Protectionist countries, on the contrary, maintain that their duties are not paid by their consumers, but by the importers, and that, so far from their acting in restriction of their export trade, they foster and increase it. Even if the Free Trade view were correct—seeing it is immaterial to the consumer, so long as he has to pay it, on what the duty is levied—there would be little, if anything, to choose between the two systems, and the claim made for ours, that to it is due such prosperity as we have had in the past, stands revealed in all its naked absurdity.

Widely different, however, is the case, if it can be by the inexorable logic of facts be shown that where an import has to encounter the competition of a home product, the duty is not paid by the consumer, but by the importer. It then inevitably follows that our producers, who have to bear an ever-increasing load of taxation, have been, and are, contributing vast sums to the revenues of other countries, which contribute nothing to ours, thereby enabling them to relieve their people, at our expense, of other taxation, which reduces their cost of production; conversely, that of our producers is increased, and still further increased by the displacement of their own by foreign produce, necessitating a reduction in their output, which means the enhanced cost of each article turned out.

So long as foreign countries had to come to us for the manufactures they required, our industries did not suffer. Prices were then governed by the British supply; now they are governed by the supplies the foreign manufacturers are able to place on their home markets, to compete with whom our producers have to reduce their prices, or abandon the trade. In other words, these foreign duties are no longer paid by the consumers, but by the importers. This change in the incidence of the duty began to be felt by our exporters shortly after the Franco-Russian War, when continental nations took to very largely increasing their tariffs as a means of stimulating their industries. In the twenty years, 1876-95, our exports of domestic produce—excluding those to British possessions—amounted to £2,959,172,767. If we assume that only 10 per cent. of the heavy duties levied abroad have been paid by exporters, which will be found to be much under the mark, we get £300,000,000 as the sum we have contributed to the revenues of foreign countries. In the same years our consumers have paid custom duties on tea, coffee, dried fruits, and tobacco alone no less a sum than £271,270,592, which, these commodities not being produced in this country, come exclusively out of their pockets. Again, taking the same

years, our imports were £7,947,500,930. Wages being at least one-third of the cost of production, if, instead of importing, we had produced but one-third of this amount, the wages fund would have benefited to the extent of some £243,000,000, every farthing of which has been paid to foreign and colonial instead of home labour. These figures, taken from the *Statistical Abstracts*, will give your readers some idea of the vast interests at stake. Can we wonder that so many of our large manufacturers, unable to stand up against such a one-sided system, have been driven to set up their works in a foreign land, where they not only teach our rivals the secrets of their trade, but themselves become shippers to the country which, in its blind adherence to an exploded fetish, drove them from its shores. Does not this emigration go far to explain the success of foreign competition in our colonial and home markets?

Here we have the great fundamental fallacy on which, from Cobden's time down to the present, every Free Trade argument is based. In no Free Trade work is the Protectionist view of the incidence of the duty ever attempted to be discussed, but in one and all it is assumed as an incontrovertible axiom that there never was a duty that did not fall to be paid by the consumer; while Protectionists, either from failing to grasp this fatally weak spot in the defensive armour of their opponents, or from not being fully convinced as to the falsity of the Cobdenite view, have rarely given it the prominence it deserves.

In order that a question of such vast importance to our industries—so eminently one of fact and not of theory—might, once and for all, be determined, I recently challenged the Cobden Club to issue a short circular to our chief exporters, asking them what had been their experience. This challenge it declined, on the ground that,

"The Cobden Club has no authority to put any such question as is suggested. It is quite open to you to do so yourself, if you deem fit."

Apart from the labour it would entail, such a task was one from which a private individual might well have recoiled. There was not only the initial difficulty of ascertaining the addresses of exporters who shipped on their own account and risk, but the certainty that many would not reply. Having regard, however, to the great issues involved, and to the desirability of making a practical exposure of a fallacy, which, from persistent repetition, had come to be regarded as an axiomatic truth, I accepted the Club's suggestion by submitting the subjoined question to a large number of representative exporting firms in London, Birmingham, Manchester, Oldham, Stockport, Salford, Coventry, Macclesfield, Huddersfield, Congleton, Walsall, Edinburgh, Glasgow, &c.

"In your experience, when a foreign country has imposed, or added to, a duty on an import, which had to encounter the competition of a home product, have you obtained in the markets of that country an advance in price to recoup you for the duty, or increase in the duty, you had to pay?"

With the remarkable result, thanks to the invaluable assistance rendered by Mr. N. Smith, of Birmingham, that 531 REPLIES WERE OBTAINED, ALL, WITH BUT ONE EXCEPTION, IN THE NEGATIVE. Even this solitary instance may be regarded with suspicion, for it was received from an American cycle exporter, who has recently opened a house in Coventry, and who, as he handed his answers to Mr. Smith, remarked, "You Britishers are the biggest fools in the world—why don't you put on tariffs?" An opinion he will, no doubt, have fully confirmed when further experience has shown him that the duty his country levies on cycles is not paid by the American consumer, but by himself. The names of these firms I am

quite prepared to publish, if necessary. The following is a list of the industries and the number of the replies received from each:—

Cotton, 103; silk, 31; woollen, 6; carpets, 5; iron and steel, 54; brass, 30; gold, silver, and electro plate, 34; hardware, 26; gun-makers, 16; cycles, 34; engineers, 18; glass, 7; indiarubber, 4; leather, 8; brewers, 11; merchants, 30; miscellaneous, 114—total, 531.

An interesting feature of the inquiry was that Liberals were even more ready to answer than Conservatives, who, in many instances, evinced a disinclination to touch "the forbidden subject," showing that disbelief in Free Trade, so-called, is not confined to any particular party. In several cases I was asked, seeing that there could be but one answer, why such an inquiry was deemed necessary; while others stated as a reason for their inability to give the return asked for, that, owing to foreign tariffs, they had been forced to abandon their export trade; an amusing commentary on the Cobden Club's contention that "foreign tariffs"—the M'Kinley for instance—"protect and foster British trade, and will continue to do so until they are abolished." Will this Club, which at its last annual meeting had to make the humiliating confession (which this inquiry has more than confirmed) that it found Lancashire—the birth-place of Free Trade—"honeycombed with Protection," in view of this startling evidence of men engaged in the practical work of commerce, frankly admit its error? or, will it be prepared to contend that "if the facts of trade conflict with our theories, so much the worse for the facts?"

A very instructive illustration of the impolicy of our system is furnished by the abolition in 1869 of the 1s registration fee. Between 1870 and 1896 inclusive we have imported 843,864,532 quarters of grain and flour, which would have added £42,193,226 to the revenue, or, if we add compound interest at 3 per cent., £60,573,424! The reasons given by the Chancellor of the Exchequer, then Mr. Robert Lowe, for repealing this petty fee, were, that "it prevented this country from becoming a great entrepôt of corn," and that its repeal "would reduce the burdens of the poor." As the duty of 1s per qr. did not prevent a single quarter from coming to us, which, but for it, we should have received, proved by the fact that prices ruled considerably higher for some years after its repeal, it certainly did not relieve the burdens of the poor. View it as we may, the conclusion is irresistible that these 60½ million pounds have gone into the pockets of the foreign producers. And why was revenue so recklessly squandered? Simply in order that a ministry might gain a little fleeting popularity, but at what a cost!!

It was stated in the *Scotsman* last month that steel rails in the United States were selling at 14½ dollars, equal to, after allowing for the difference between the English and American ton, £3 10s 5d, against, as quoted in the *Economist*, £4 15s; and that Mr. Carnegie's firm at Pittsburgh had sold 50,000 tons to one of the largest English railway companies. Here is a fact for the consideration of the Cobden Club, which maintains that Protection increases cost of production!

Mr. Choper, of the *Scotsman*, writing from New Zealand, informs us that the best New Zealand frozen mutton is sold on arrival in this country at 2½d per lb., for which the British consumer is charged 6½d to 7d, and but too often has it palmed off on him as home produced at 10d. This exorbitant profit the working classes tamely submit to, but are up in arms if we propose a duty of 5s a quarter on wheat, which, if paid by them, would only amount to three-eighths of a penny on the price of the 4 lb. loaf.—I am, &c.,

A. WILLIAMSON.

15 Moray Place, Edinburgh,
6th March 1897.

